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In Britain, Danish Approval Gives Pact a Boost

By John Darnton

LONDON — Bolstered by the Danish about-face in favor of the Treaty on European Union, the British government expected the House of Commons to approve the treaty Thursday and predicted ratification by early autumn.

But how far-reaching that dream would be is still problematic. Both Britain and Denmark tance to draw closer to the Continent, and that the ambitious dream of European unity will take a major step toward reality.

The European Community can wait, most Germans said in a new poll. Page 6.

have won provisions allowing them to "opt out" of a single European currency, which was to have held the region together and is still scheduled to go into effect by 1999.

The debilitating campaign to win ratification in a number of countries began with the Danish rejection last June; there was a close call in the French referendum in September,

and the British Parliament has wrangled over it more than 200 hours. All this has had the unintended effect of revealing just how thin the support for a united Europe is in many quarters.

To some Europeans, the idea of a United States of Europe appears ludicrous. The recession has pushed so many European economies in different directions that two EC members, Britain and Ireland, have dropped out of the system that set fixed exchange rates for their currencies. And the Bosnia-Herzegovina crisis has underlined with a vengeance Europe's inability to come up with a common foreign policy even when dealing with a war on its own doorstep.

On Tuesday Mr. Major, while calmly exult-

ing in the one bit of good news his government has seen in months, tailored his words of reaction carefully. He sought to avoid arousing British fears of being dictated to by un-elected bureaucrats in Brussels.

It is in the "cold, hard self-interest" of Britain to be at the center of Europe instead of standing on the sidelines throwing stones at all our partners," he told the BBC. But by joining the group Britain can influence its direction and that means, he made clear, prodding it away from a federal, centralist model. "That is the fear that has entered into the minds of people in the country," he said. "They see senior figures in the Conservative

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Russia Wins Support For Bosnia Peace Pact

Europeans, Ignoring U.S. Doubts, Agree on Gradual Phase-In of Plan

By William Drozdiak

WASHINGTON — Russia and the European allies, ignoring strong misgivings by the Clinton administration, agreed Wednesday to press ahead with the gradual carrying out of an international peace plan for Bosnia that has been overwhelmingly rejected by local Serbs.

The Russians and Europeans also reached a consensus on the need to tighten United Nations sanctions; seal the border between Bosnia and Serbia; create safe havens for the capital, Sarajevo, and six Muslim enclaves; and set up a war crimes tribunal for the former Yugoslavia.

Those elements comprise a four-point peace plan announced this week by Russia's foreign minister, Andrei V. Kozyrev, who has undertaken a new diplomatic initiative to halt warfare in the Balkans after the Clinton administration abandoned a more aggressive military option in the face of allied resistance.

Mr. Kozyrev met here Wednesday with his colleagues from France, Britain, Spain, Germany and Italy. They were attending a gathering of foreign and defense ministers of the nine-nation Western European Union, which has ambitions of evolving into the security arm of the European Community.

As part of Russia's higher profile in seeking a solution to the Balkan conflict, Mr. Kozyrev said Russia was now willing to send troops to serve as monitors along the Serbian-Bosnian border. He also held out the promise of sending a sizeable peacekeeping contingent in the near future, a commitment that was warmly received by the Europeans.

The converging views between the Russians and the European allies dramatized the isolated position of the United States, whose appeal to lift the arms embargo against Bosnia's Muslim-dominated government and launch air strikes against Serbian military sites has been spurned by Russia, the European Community, and the Balkan peace negotiators.

Instead, European support has rallied around Mr. Kozyrev's plan, which eschews the use of military force and seeks to maximize diplomatic and economic pressure to persuade Bosnia's Serbs to accept a peace plan that was rejected by about 95 percent of the voters in a referendum this week.

The United States said Wednesday it would not take part in a proposed force of border monitors. Reuters reported from Washington. Asked if the United States would try to ensure that the monitors are effective by either offering to participate or specifying in a UN resolution what effective enforcement would mean, Richard A. Boucher, the State Department spokesman, said, "The answer is no."

Mr. Kozyrev will travel to Washington to meet on Thursday with Secretary of State Warren M. Christopher. The secretary has frequently expressed the administration's reluctance to

embrace a plan that is perceived in Washington as one that ratifies the practice of forced deportations known as "ethnic cleansing" and could prove a military nightmare to enforce.

But Mr. Kozyrev said he and his European counterparts could find no acceptable alternative to the UN-sponsored peace plan. That plan, conceived by the mediators Cyrus R. Vance and Lord Owen, would divide Bosnia into 10 ethnic cantons.

"If the Vance-Owen plan is dead, then what is alive?" Mr. Kozyrev asked. "Probably everything and everybody will be dead in Yugoslavia. The only alternative is unrestrained fighting."

In contrast to its chilly reception in Washington, the Vance-Owen peace plan continues to have strong backing from the European allies. The Western European Union ministers issued

A UN investigator says the Vance-Owen plan for Bosnia hastened "ethnic cleansing." Page 6.

a declaration Wednesday expressing their "full support for early implementation" of the peace plan.

At the meeting with his European counterparts, Mr. Kozyrev spelled out the virtues of forging ahead with step-by-step introduction of the peace plan in areas of Bosnia where that would prove most feasible. Those areas would include places where Serbs, Croats or Muslims are not willing to press their territorial claims. According to European participants, Mr. Kozyrev won strong backing for the idea of a UN resolution that would endorse putting the plan into effect as soon as possible.

One advantage, European diplomats noted, was that a gradual implementation of the plan would require much fewer than the 70,000 forces that allied military specialists estimate would be required to enforce the peace plan's provisions throughout all of Bosnia.

Mr. Kozyrev also reported on his talks this week in Belgrade with Serbia's president, Slobodan Milosevic. He said that Mr. Milosevic was locked in a power struggle with nationalist hard-liners and that he needed more time to bring the Bosnian Serbs around to accepting the peace plan.

That view, however, met with some skepticism among Europeans. The Western European Union's secretary-general, Willem van Eesteren, said the Russians were "going much too soft" on Mr. Milosevic.

Mr. Kozyrev also sought to persuade the Europeans to accept Mr. Milosevic's argument that if foreign monitors should be sent, they must be stationed around all of Bosnia's borders, including those with Croatia.

Mr. Kozyrev told the ministers that Russia was prepared to send troops to serve as monitors, preferably on the Bosnian side of the Serbian border.



1 and immobilized rioter lying in a street in central Copenhagen. Violent protests erupted early Wednesday following the Danes' approval of the Maastricht treaty.

es on Both Sides of Treaty Back Police Shooting

In Our Staff From Danes

COPENHAGEN — Supporters and opponents of the Maastricht treaty closed ranks behind the police, who shot 11 of the most violent peace-time riots since the city's history.

over the referendum result, which ended a year of economic uncertainty. Prime Minister Poul Nyrup Rasmussen moved swiftly to exploit the vote, announcing tax cuts and an economic growth package. The central bank cut interest rates by 1 point to 8.25 percent. (Page 11)

Sociologists said the riot by about 300 squatters, anarchists, students and unemployed youths reflected not only opposition to the Maastricht treaty, which is supported by the Danish establishment, but also general frustrations with Danish society, especially with high unemployment.

Demonstrators had posted a banner saying "EC-Free Zone" next to a burning barricade across the North Bridge, several hundred me-

ters from the legislature. But otherwise there appeared little connection to the voting.

An anarchist group, called "BZ-ers," and some violent far-left allies often smash windows and try to provoke the police, who, in turn, generally are restrained, letting the demonstrations run their course.

There was no immediate criticism of the police on Wednesday, despite the television images of officers firing into a crowd of rioters. The police actions were backed by supporters and by opponents of Maastricht.

Mr. Rasmussen strongly defended the police, who battled up to 300 rock-throwing squatters for five hours. Nine demonstrators were still in hospitals on Wednesday but none

was in critical condition, the police said. Twenty-five protesters were arrested.

The riot turned Nørrebro, only two kilometers from the elegant city center, into a wasteland of burned barricades, loose bricks and broken glass. The area was quiet on Wednesday.

"My thoughts go in this moment to our police who have been hit badly," Mr. Rasmussen said. "This riot was planned and organized and the government will not hesitate to ensure that this will not happen again."

He said the rioters had thrown between six

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Gold, Dazzling Again, Appears Headed for a Volatile Summer

By Lawrence Malkin

NEW YORK — As gold hit its highest level since the Gulf War and then dropped back a bit, market specialists reckoned Wednesday that financial uncertainty would keep prices volatile through the summer unless governments decided to cool them off by selling their own stocks.

Gold hit a high of almost \$384 an ounce Wednesday in London, before slipping back to \$381.90 at the fixing, a gain of \$10 on the day. New York followed the same pattern, reaching a high of \$383.50 before a wave of buying hysteria was calmed by producers unloading from Russia, Australia and South Africa, pushing it down to \$374.20.

On Wall Street, gold shares mirrored the

physical market with a small decline. But 30-year Treasury bonds, the market bellwether for the inflation fears that have been driving financial markets recently, stayed weak to yield 7.03 percent interest after crossing the psychological divide of 7 percent Tuesday.

All eyes Wednesday were on gold, the classic protection against inflation. It has shot up almost 17 percent from its \$327 closing on

March 9, the lowest it had been in seven years.

Some of what happened since then was a reaction to gold deals by Sir James Goldsmith and billionaire fund manager George Soros. Although the tactics of these two high rollers still puzzle gold market analysts, what they seem to have done — aside from making profits

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In the Chinese Hinterland, Taxman Sows Bitter Seeds

By Sheryl WuDunn

GUIYANG, China — The worst part about being a peasant like Luo Qingguo is not the pangs of hunger or the sooty shack in which his family lives. The real torment comes when the tax collectors show up on shiny new motorcycles and confiscate rice and cash, leaving Mr. Luo unable to feed or clothe his four children. "They don't get enough to eat," he said. "There is no money to buy them a pair of pants."

Mr. Luo, 36, in tattered clothes and bare feet, said his family earned the equivalent of \$38 last year, not enough to buy clothes. Two of his sons, aged 5 and 10, were naked below the waist.

There would have been money and food if the tax collectors had not seized 50 kilograms (110 pounds) of his rice and corn, a month's food for his family. The officials also took a few more dollars in various other taxes; there was the irrigation tax, the subsidy payment to local officials, land rent, the contribution to help

support the elderly, housing insurance, electricity fees.

These are difficult times for China's 900 million peasants. With the spring sowing under way, tensions are rising as peasants are being squeezed again by rising costs, illegal taxes and corrupt officials.

These pressures are generating deep indignation, just as similar pressures did half a century ago. In the period before the Communist revolution. While no revolution is now in sight,

there are a few tentative signs of peasant unrest.

This year in Renzhou county in Sichuan Province, 1,000 peasants wielding rods, scythes and rocks attacked officials who were demanding levies to build a highway. Later on, said a Chinese who saw the revolt, 10,000 peasants, or more than half the county's residents, burned a police car and damaged the homes of the township leaders. The dispute was resolved only after the deputy governor ordered that the

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World Trade Talks Gain Clinton's Full Attention

By Tom Redburn

PARIS — President Bill Clinton's administration, after initially playing down the importance of breaking the stalemate in world trade talks, has become committed to reaching a global agreement as soon as possible.

In a shift from Washington's earlier, near-exclusive focus on the North American Free Trade Agreement and bilateral disputes with Europe and Asia, the multinational General Agreement on Tariffs and Trade is taking on an increasingly prominent role in the administration's emerging trade policy approach, according to senior U.S. officials and trade lobbyists.

Within the administration, in place of the traditional trade hawk versus free-trade split, an approach appears to be evolving in favor of blending a new emphasis on globalism with improved efforts to identify specific trade targets, primarily in Japan.

Adding urgency, officials said, is that the White House is much more worried today that failure to wrap up a global trade pact by the end of 1993 would undermine world economic growth as most industrial nations are mired in stagnation or worse. The latest round of GATT talks began in Uruguay in 1996.

"The symbolism is as important as the substance," Laura D'Andrea Tyson, Mr. Clinton's top economic adviser, said after a speech Tuesday in Paris. "The best thing we can do now is conclude the Uruguay Round in order to give a signal to the business world that we are not going backwards. We should be putting more and more weight on getting a GATT agreement."

even if we are not all satisfied with the details."

Such statements take added significance coming from Ms. Tyson, an advocate of U.S. trade activism who wrote in her recent book, "Who's Bashing Whom?," that GATT is "largely irrelevant" to most issues that could divide the United States, Europe and Japan. "The perception that the United States is going to take a radical turn away from the multilateral approach to trade is simply not warranted," Ms. Tyson said. "We intend to pursue the international trade liberalizing measures we inherited from the Bush administration."

Last month, Arthur Dunkel, the outgoing GATT director, complained that Mr. Clinton's administration, despite official protestations to the contrary, had put the Uruguay Round on the back burner while devoting most of its time and attention in trade matters to NAFTA. Since then, Mr. Clinton has announced he would ask Congress for a one-year extension of his authority to negotiate a GATT agreement in effect putting a mid-December deadline on concluding a deal.

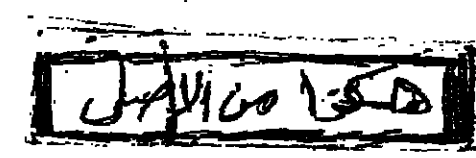
After two days of meetings at the Organization for Economic Cooperation and Development, Ms. Tyson also disclosed that the United States was likely to cut its official economic forecast for 1993 now that it is believed the U.S. recovery will not be as strong as expected. "We previously anticipated more than 3 percent," she said, "but we now think that growth will be more like 2.5 to 2.8 percent."

Recent reports of disappointing gains in output for the first quarter have led some private

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Kiosk Stocks Surge as Interest Rates Fall. U.S. stocks soared to a record close on Wednesday, as falling interest rates and an easing in gold prices cheered up a market that had been worried about inflation in recent sessions.

Pie in the Sky: Airlines Offer All the World's Fare. By Florence Fabricant. NEW YORK — As planes settle into their cruising altitudes for the high travel season this summer, vacation-bound travelers may be surprised at what flight attendants dispense from the food carts.





# Asian Nations Remind U.S.: This Is Where the Action Is

**By Michael Richardson**  
*International Herald Tribune*

SINGAPORE — Asia-Pacific nations, worried that the Clinton administration will cut United States military power in the region, are taking advantage of tensions between the United States and Europe to emphasize that American forces are welcome in the western Pacific.

As differences sharpened between the United States and its European allies over a common approach to the fighting in Bosnia, Paul Keating, the Australian prime minister, told Americans on a breakfast television program that they should turn to Asia and the Pacific for economic security.

"I make this point to you," he said. "The United States has got about 200 billion U.S. dollars of trade in the Atlantic. It has got about 300 billion dollars in the Pacific. The Pacific is the area of high-income growth. Europe is the area of low-income growth."

Mr. Keating added that the message from the Asia-Pacific region to the United States was: "Don't be too mournful about NATO waving good-bye. Don't be too upset at newfound European independence. Come over here where the growth is greater, where the people really want you."

In recent days, several Asian leaders have also been pushing a similar theme in public speeches and in talks with senior

American officials, while seeking to contain trans-Pacific disagreements over such issues as trade imbalances, human rights and democracy.

Some have called for increased regional trade liberalization to reduce problems with the United States and make it easier for Washington to justify forward deployment of U.S. forces in the Pacific.

"It is in Asia's self-interest to help restore America's economic competitiveness," said Prime Minister Goh Chok Tong of Singapore at an international conference in Tokyo last week. "One way is for Asia to open its markets wider to U.S. exports."

American readiness to help shape a new security order for the Asia-Pacific area after the end of the Cold War will be tested in Singapore on Thursday and Friday when senior officials from 12 nations in the region meet to set an agenda for a ministerial conference in July. The United States, Japan, Australia, Canada, New Zealand, South Korea and members of the Association of South East Asian Nations will participate.

Winston Lord, the assistant secretary of state for East Asian and Pacific Affairs who will lead the U.S. delegation at the Singapore meeting, said Wednesday that he would emphasize America's "enduring commitment to the region's security" during the talks.

He said that the Clinton administration would maintain American "alliances, our forward military presence and our commitment to Asia because we believe stability here contributes to maintaining peace and prosperity not only in Asia, but for the United States as well."

The ASEAN countries are Indonesia, Malaysia, the Philippines, Singapore, Thailand and Brunei. The bulk of U.S. forces in East Asia are stationed in Japan and South Korea.

Since nationalists in the Philippine Senate voted to compel the United States to abandon bases in the Philippines last year, other countries in Southeast Asia have provided U.S. forces with access to their territory for joint training, repairs and logistical support to help sustain the American military presence in the region.

Almost every East Asian nation wants the Americans to stay because they play a central role in the balance of power, said Jose T. Almonte, a retired general who serves as national security adviser to the Philippine president.

The United States is "the only country able to exert enough authority to restrain Japanese, Chinese and North Korean military ambitions," he said.

Paradoxically, East Asian support for continued American security engagement has increased with the end of the Cold War because of concerns that stability and economic growth will be upset if U.S. forces in the region are withdrawn as rapidly as were those of the former Soviet Union.

While economic growth in East Asia in recent years has been the fastest in the world, it could be undermined by territorial disputes in such potential military flash-points as the Korean Peninsula and the South China Sea.

China, Taiwan, Vietnam, Malaysia, the Philippines and Brunei have conflicting claims to the Spratly Islands, which lie near vital trade routes through the South China Sea leading to Japan. The seabed around the widely scattered islands may contain rich reserves of oil and natural gas.

William Perry, the U.S. deputy secretary of defense, told the conference in Tokyo that the Spratlys were "a potential source for regional conflict that could engage many of the region's nations and threaten passage through the critical sea lanes that traverse the South China Sea."

Mr. Goh said that the United States that remained engaged in the region would make it easier for China, Japan, South Korea, ASEAN and the countries of Indochina to have comfortable relationships with each other.

He warned, however, that if Japan lost confidence in the American security umbrella, it would "seek means to protect itself" that would alarm its neighbors.

"China and Korea will be the first to react, triggering off further alarm bells in Southeast Asia," Mr. Goh said. "Political relationships across the region will become less predictable. Anxiety will set in. Economic growth will slow down."

**Singapore's Proposal**

Singapore has called for a new Asia-Pacific security arrangement that is more open and international to ensure global peace, wire services reported Wednesday.

Former Prime Minister Lee Kuan Yew, speaking in Beijing on Tuesday, said that the arrangement would require the setting up of a new multilateral organization either under the United Nations or a new international body.

"It may be futuristic and idealistic, but if it doesn't happen within the next 20 to 30 years, with so many nuclear powers, you can imagine the kind of dangers the world will face," Mr. Lee told Singapore reporters accompanying him.

"The size of China's displacement of the world balance is such that the world must find a new balance in 30 to 40 years," Mr. Lee said. "It's not possible to pretend that this is just another player. This is the biggest player in the history of man."

Mr. Lee said the United States recognized the nature of the new world order, using multilateral bodies like the Conference on Security and Cooperation in Europe and the United Nations to seek order in the former Soviet empire.

## WORLD BRIEFS

### China Flouts Labor Deal, Report Says

WASHINGTON (WP) — China continues to illegally export goods produced by forced labor to the United States despite a U.S.-China agreement nine months ago to prohibit such trade, according to a report issued by a foundation headed by a former Chinese political prisoner.

The Laogai Research Foundation, headed by Harry Wu, based its report partly on investigation inside China and Hong Kong, and partly on Chinese documents describing forced labor products available for export. The report was issued less than three weeks before President Bill Clinton must decide whether to renew China's most-favored-nation trading status; this allows Chinese exports to the United States to receive the same low tariffs as most U.S. trading partners.

In a related development, a U.S. Customs Service report said that since last August the Chinese authorities had denied requests from the U.S. Embassy in Beijing to visit four factories suspected of using forced labor. They opened a fifth factory to inspection but kept parts of it off-limits.

### France Moves to Tighten I.D. Checks

PARIS (AP) — The French cabinet proposed rules Wednesday that would make it easier for the police to carry out spot identity checks, a move that civil-rights groups fear may lead to the harassment of foreigners.

Under the proposals, a police officer can demand the papers of anyone, regardless of the person's behavior, if the officer feels that the public order is threatened. The police previously had to demonstrate that the person had done something to warrant being stopped. The police will also have the right to demand identity papers within 30 kilometers (20 miles) of a French border or at ports, airports and train stations.

The proposed changes are the latest in a series of law-and-order measures adopted by Prime Minister Edouard Balladur's government since conservatives won an overwhelming majority in the National Assembly in March.

### Colombian Jetliner Reported Missing

BOGOTA (Reuters) — A Colombian passenger plane carrying 125 passengers was reported missing shortly before it was due at Medellin airport on Wednesday, a radio report said.

The RCN radio network said the Boeing 727, owned by the Colombian airline SAM, was on a flight from Panama to Bogota and had been missing for more than an hour. RCN said the plane was scheduled to land at Medellin at 3 P.M. The radio report quoted civil aviation authorities as saying two rescue helicopters had been sent to look for the plane.

### Kohl, in Turkey, Seeks Better Ties

ANKARA (Reuters) — Chancellor Helmut Kohl of Germany began a visit to Turkey on Wednesday hoping to improve sometimes strained relations, especially over neo-Nazi attacks on Turkish workers.

"In this visit I'm sure we will touch on unfortunate incidents and tensions between us," Mr. Kohl said on his arrival. "The true purpose of my visit is to remove such misunderstandings."

Mr. Kohl will be trying to ease tensions over attacks on Turkish workers in Germany, as well as periodic disagreements over human rights, the Kurdish question and Ankara's aspirations to join the European Community. The German leader was to hold talks with President Suleyman Demirel, who was elected Sunday following the death of President Turgut Ozal last month.

### For the Record

Israeli soldiers shot and killed two Palestinians in the occupied West Bank city of Hebron on Wednesday, the army said. Soldiers fired a tank missile to drive the two out of a house in which they had taken refuge. When the men tried to flee through a window, troops shot. Israelis have killed 29 Palestinians this month.

## TRAVEL UPDATE

Malaysia is studying the creation of a second airline to co-exist with national carrier, Transport Minister Ling Liong Sik said Wednesday. Liong said the new airline is expected to come off-line in October, the China Daily reported Wednesday. A train, which has a maximum speed of 200 kilometers per hour and a normal speed of 160 kilometers per hour, successfully test runs, the paper said.

President Mary Robinson of Ireland has unveiled Island to Amie Moore, believed to be the first of 12 rail passes through the gateway for immigration to America. The statue shows the young Irishwoman looking hope.

Rail workers in Bohemia held a one-hour strike Wednesday to press for higher wages, the CTK press agency trade union representative was quoted as saying that it would be held within two weeks if salary demands were met.

## MEALS: All the World's Fe

(Continued from page 1)

the sky they want food. It keeps children quiet, and business travelers can go directly from the plane to a meeting without stopping for a meal.

On long flights, food is twice as important as on shorter hauls, according to a study conducted among 6,339 frequent travelers last fall by J.D. Power & Associates, a marketing company in Los Angeles. That study also showed that having a choice in meals is actually more important to passengers than how good the food actually is (but it is less important to them than getting a comfortable bed).

Airlines, determined to keep customers content, have listened. "It's a reaction to consumers who want healthier food," said Joel Crawford of American.

Economics plays a part, too. Lower fat — pasta instead of beef at dinner, cereal and a muffin in place of a cheese omelet for breakfast — coincides with lower cost. "On American, United and Delta, they have found they can make cheaper food better," said Lisa Sanders, associate editor of Frequent Flyer magazine.

American began a program in January that emphasizes pasta, chicken, grains and vegetables.

Kiwi International, a fledgling airline that began service from Newark Airport in September, emphasizes the quality and freshness of its food. A typical offering might be marinated grilled chicken, brown rice, ratatouille, salad, cheese and crackers, fruit and pastry, served with a glass of mineral water.

In April, Thai Airways, which had served Western food unless a special request was made, started offering a choice of Thai or Continental food in all classes.

On July 1, United, which began a meal overhaul last fall, will introduce more special food, including high-fiber meals and ones made specifically for people with gout.

"You can do a lot with vegetable meals to make them look good," said Kurt Lackner, director of catering operations for United. "You can serve couscous, Basmati rice and grains like that so it's not always just carrots and plain white rice."

Not everybody is convinced. "In some cases, the food is improved," said Ms. Sanders of Frequent Flyer. "It's simpler — they have elimi-

## Cambodia Readies For Risky Election

**By William Branigan**  
*Washington Post Service*

PHNOM PENH — Cambodian political parties held their final election rallies on Wednesday after a six-week campaign marred by what the United Nations said was an "unacceptably high level" of political violence and the risk of more to come.

But despite the worst conditions for UN-supervised elections that international peacekeepers have faced, the UN special representative, Yasushi Akashi, and other top officials vowed Wednesday to press ahead with six days of balloting starting Sunday.

At stake is not only the political future of this nation, ravaged by war for two decades, but also the credibility of a \$1.7 billion UN peacekeeping mission that has been held up as a model for future UN operations. There are doubts, however, about whether the United Nations is up to such tasks.

Addressing staff members at his headquarters on Wednesday, Mr. Akashi, a Japanese who heads the 22,000-member UN Transitional Authority in Cambodia, said the elections should be held "in spite of obstacles, dangers and intimidation" that UN officials have attributed to the Phnom Penh government and to its arch-enemy, the radical Khmer Rouge guerrillas.

The Khmer Rouge, which ruled Cambodia brutally in the late 1970s and by some estimates was responsible for the deaths of 2 million people, was ousted by a Vietnamese invasion in 1978. The Khmer Rouge pulled out of a 1991 peace accord it signed with the Hun Sen-led Phnom Penh government and two non-Communist factions. It now threatens to forcibly prevent the elections on grounds that they will perpetuate the current administration.

In an interview, Mr. Akashi said the Khmer Rouge could "disrupt" the elections but "cannot stop them." He said Khmer Rouge military strength had reportedly increased by half, to 15,000 fighters since last year, because of efforts to "remobilize" guerrillas who had returned to peasant farming in Khmer Rouge zones.

He said a new group of commanders who are "more disciplined, more single-minded and more hard-line" has emerged in key leader positions.

On Wednesday, about 4,000 people gathered here for a heavily guarded, UN-sponsored rally at which candidates of 17 of the 20 parties vying for 121 National Assembly seats took turns making fiery campaign speeches. The government's ruling Cambodian People's Party did not take part.

In a press conference, Prime Minister Hun Sen said the government was prepared to transfer "all assets and inventories of the state" to the election victors should his party lose. He has predicted a land-

slide victory, however, contending that opinion polls show the party winning 70 percent of the vote. Some analysts doubt that any party can get a majority.

While Khmer Rouge violence represents a major threat to the UN's ability to hold the elections in many locations, UN officials said the fairness of the exercise has already been widely undermined by the government in Phnom Penh.

Dennis McNamara, the head of UN force's human-rights division, said investigations showed that government forces were involved in about half the reported cases of political violence or intimidation in the last 10 weeks.

UN officials said that as many as 200 people had been killed during that time in politically motivated attacks, but that the authorities had not prosecuted a single person despite numerous UN investigations identifying offenders.

Mr. McNamara said his office had recommended that half a dozen officials of the government or security forces be disqualified by the United Nations from running or voting in the elections.

Mr. Akashi said he was considering using his mandate to disqualify at least one "really big" official.

He said a report by the human rights group Asia Watch was "too harsh" in its criticism of the UN force for failing to rein in abuses by the Phnom Penh government.

Asia Watch said it found great laxity in the UN's control of the authorities. It was mandated to monitor. Two UN administrators supposedly supervising the Ministry of National Security, for example, could not describe the activities of various departments, including the key counter-terrorism and foreigner-surveillance sections, Asia Watch said.

In the interview, Mr. Akashi portrayed himself as struggling for attention and resources from UN headquarters in New York and competing for experienced administrators with such other trouble spots as Bosnia.

A recent order from New York to evacuate the dependents of employees of UN agencies here was issued without consulting him and "sent the wrong signal" to Cambodians, he said.

"We were all startled and unhappy," Mr. Akashi said. "The timing was unfortunate, just as hundreds of international polling station officials were coming to Cambodia."

He said the decision was subsequently "reversed."

Asked whether the United Nations was capable of taking on such major peacekeeping and administrative missions in the future, Mr. Akashi said, "I'm not so sure."

He described the UN structure as inadequately equipped for such tasks and said he had "many battles with New York" in trying to staff and run the UN force.



A JEEP DEAL — Lebanese soldiers checking out vehicles in Beirut on Wednesday that were part of a shipment of U.S. aid.

## PEASANTS: In the Chinese Hinterland, Taxman Is Sowing Bitter Seeds

(Continued from page 1)

peasants be repaid their money with interest.

In a number of areas, peasants have stopped farming because high taxes and the government's low purchase price for grain make agriculture a money-losing venture. In a county in Anhui Province, one-third of the peasants left all their land idle, a secret government document reported. Many of the rest cultivated only part of their land.

In its first few decades of Communism, China glorified peasants, making them a symbol of the new China. During the Cultural Revolution, in the 1960s and '70s, physicians and poets and other intellectuals were banished to villages to learn from the peasants.

Then, in the early 1980s, the government began a far-reaching series of agricultural changes that allowed peasants to sell a part of what they farmed at near-market prices. The measures gained broad support among the peasants, and so in recent years, diplomats and scholars have been more sensitive to the risk of protests by urban students or workers.

But agricultural growth is trailing the industrial boom, and now there is growing recognition that the peasantry may also pose a danger to the government. While industrial growth last year was 20.8 percent, agricultural production rose by only 3.7 percent.

Chinese press reports also indicate that throughout the country, peasants are being taxed illicitly — above a 5 percent limit — by local officials trying to gild their coffers.

The peasants' discontent is tempered by disorganization, however, and both are evident in the hillside villages here in Guizhou, a stony and hilly southern province.

A sturdy, talkative 35-year-old woman voiced anger about the fees she and her family of five had to pay: grain tax, land fees, head tax, local management tax, educational fees, contributions to the families of military soldiers. Altogether, she paid 17.5 percent of her family's gross annual income, plus more than one-third of the grain her family brought in last year.

During a province-wide harvest battered by two months of drought, the authorities raised the fee for pumping water for crops from 44 cents an hour in 1991 to 53 cents last year — or three days' income for an average peasant in Guizhou. An average worker in Beijing pays about 6 cents for every ton of water, or a tiny fraction of a cent for an hour's use of water.

Provincial officials in Guiyang have denied that they overtax residents in the countryside, but a group of peasants standing by the road quickly waxed indignant as they discussed the fees and taxes. Still, they expressed no concept of any possibility of resistance.

"It's not a matter of guts," said Peng Dagui, a 60-year-old peasant in a remote village who paid 16 percent of his grain in a tax last year. "There's just nothing you can do."

Underlying problems in rural areas, the economic boom of China's coastal areas has bypassed many of the mud-brick villages where peasants live. While the quality of life in rural areas is clearly far better than a decade ago, the pace of improvement seems to be considerably slower than in the cities.

Last year, the average peasant earned less than half of what city dwellers did. One measure of the gap is the ratio between total take-home pay in rural and urban areas. When subsidies to city dwellers and taxes on farmers are taken into account, an urban resident's income rises to four times as much as a peasant's.

Most city dwellers pay no taxes — neither an income tax nor a sales tax — while peasants pay various taxes in grain and cash. In part, this may be because officials believe peasants will eventually pay without protest, while the authorities are deeply apprehensive of offending

## Black N.Y. Teacher Wins \$400,000 in Rights Case

**New York Times Service**

NEW YORK — A federal jury has ordered officials of the City University of New York to pay Leonard Jeffries \$400,000 for violating his free speech rights by removing him as chairman of the Black Studies department at City College after he made a 1991 speech criticized as anti-Semitic.

The jury assigned damages individually to each of six officials who were found to have violated Mr. Jeffries' rights. He had named 15 officials in his lawsuit.

Mr. Jeffries had sought \$25 million in punitive damages from the 15, but he said Tuesday that he was pleased with the final verdict. "I think the message is clear that there is freedom of speech, that that umbrella stretches to African people," he said.

"Certainly the university is a place issues should be raised and controversial issues should be seriously discussed," he said. "But this didn't take place in this case. The media lynching and the academic cowardice becomes very revealing."

He contended that he had been removed from his post because of a speech in which he said Jews and the Mafia had conspired to belittle blacks in the movies and that Jews had helped finance the slave trade.

University officials tried to show in the trial that he was deposed only because he was an incompetent administrator. The jury found they acted because of the speech. The judge, Kenneth Conroy, must still rule on whether Mr. Jeffries should be reinstated, but that is not expected for several weeks.

## North Koreans Talk With U.S. On Nuclear Issue

**New York Times Service**

WASHINGTON — American and North Korean diplomats have met quietly in New York to begin planning for high-level talks intended to resolve the dispute caused by Pyongyang's withdrawal from the treaty to halt the spread of nuclear weapons, according to State Department officials.

Although the details remained to be worked out, the officials said it now appeared that North Korea would agree to take part in such talks, which the Clinton administration regards as the most promising route toward ending the two-month-old dispute.

A senior U.S. official said that talks on North Korean nuclear weapons issues "could fall into place very soon." He said the proposed session would allow the United States "to pressure the North Koreans more directly" into rejoining the accord and opening its nuclear installations to international inspectors.

(Continued from page 1)

forecasters to cut their projections of U.S. economic performance. Analysis range in forecasts from less than 2 percent for growth in the U.S. gross domestic product to more than 3 percent.

Meanwhile, U.S. officials remain worried that differences with the European Community and Japan, particularly over farm protectionism, will continue to block hopes of completing any sweeping trade-opening deal.

"A lot depends on our trading partners and what they are prepared to do," said Rufus Yerra, the deputy U.S. trade representative. Reuters reported from Washington.

In keeping with the White House's increasingly tough line against Japan, Mr. Yerra trained his biggest guns on Tokyo.

"The Japanese-proposed schedule for agriculture is woefully deficient," said Mr. Yerra, who recently moved from being the top U.S. representative to GATT under former President George Bush to the second-in-command to Mickey Kantor, the chief U.S. trade negotiator.

"We have not gotten satisfactory answers from Japan, and we will continue to pressure them relentlessly," Yerra said.

Contrary to the expressed wishes of the French government, Washington is unilaterally opposed to reopening last November's U.S.-EC farm trade arrangement, known as the Blair House agreement for the official Washington guest house where it was concluded.

Dean Kleckner, head of the powerful American Farm Bureau lobby, told reporters in Paris that Congress would reject any GATT deal that did not limit subsidized European farm exports by at least as much as the Blair House pact.

He said U.S. farmers were disappointed that the accord did not set firm limits on EC oilseed production and that European farmers were not aware of how much their own subsidies distort global agricultural trade.

With France's new government vowing to block the deal, Mr. Yerra said he expected Paris to "kick and scream" as negotiations progressed, but ultimately to go along with the pact rather than risk a break with its EC partners. "Even



STATESIDE / CONCESSION TO POLITICAL REALITY

Gay Lawmaker Suggests a Compromise With Military

By John Lancaster

WASHINGTON — Representative Barney Frank, a leading advocate of homosexual rights, has urged the gay community to accept a compromise that would fall short of President Bill Clinton's pledge to allow homosexuals to serve openly in the military.

At a news conference on Tuesday, Mr. Frank outlined a compromise that would allow gays and lesbians to remain in the military so long as they did not reveal their sexual orientation while on duty.

"It's a policy that says, 'Don't ask, don't tell, and don't listen, and don't investigate,'" Mr. Frank said.

Mr. Frank's plan is similar in some respects to the compromise pushed by Senator Sam Nunn, Democrat of Georgia, chairman of the Senate Armed Services Committee.

conclusion that the president would not succeed in forcing a total lifting of the ban past Congress.

With Mr. Frank now supporting a compromise, the president has gained some valuable political cover that should help protect him against charges of renegeing on a pledge to end discrimination against homosexuals in uniform.

"It's important in two ways," an administration official said of Mr. Frank's plan. "It represents a seasoned judgment by someone who wants to lift the ban about what the traffic will bear in Congress, and it should serve to restrain some of the more unrealistic expectations of gays and lesbians about what can be done on a practical level."

But Mr. Frank's comments prompted expressions of dismay from gay-rights advocates who have mounted a fervent campaign to hold the president to his word.

"I don't think we need to accede to this particular version of reality," said Thomas B. Stoddard, director of the Campaign for Military Service, a coalition of gay-rights groups.

Mr. Frank, however, said the battle had already been lost. "I don't think the campaigning has been productive," said Mr. Frank, who described the recent gay-rights march on Washington as a political failure.

The Pentagon also is studying a compromise modeled on Mr. Nunn's proposal. A working group is to make a recommendation to Defense Secretary Les Aspin by next week, with the goal of submitting a draft executive order to the White House by July 15.

POLITICAL NOTES

Justice Nominee Drops Membership In Club

WASHINGTON — Webster Hubbell, President Bill Clinton's choice for the No. 3 job at the Justice Department, told the Senate Judiciary Committee on Wednesday that he had resigned from a virtually all-white country club in Arkansas.

Clinton Seeks to Quell Revolt on the Budget

WASHINGTON — President Clinton went to Capitol Hill on Wednesday to quell a revolt by conservative Democrats demanding that he replace the energy tax in his budget with more cuts in such benefits as Medicare.

7-Member White House Travel Staff Is Fired

WASHINGTON — Seven longtime employees of the White House were dismissed on Wednesday for what a presidential spokesman said were serious problems in White House travel accounts.

Quote / Unquote

The International Institute for Strategic Studies, in its annual review of world events, "Strategic Survey 1992-1993": "Despite calls for sacrifice and tax increases, confidence and hope have returned to the U.S. But unless the Clinton formula for recovery proves to be sound, and quickly, the ever volatile American public can be expected to turn. There will be many who will still believe in sacrifice, but somebody else's sacrifice. A familiar gridlock between Congress and the administration will once again take hold."



Mr. Clinton playing with youngsters in south-central Los Angeles, the scene of rioting last year.

Abortion Battle Threatens To Derail Health-Care Plan

By Dana Priest Washington Post Service WASHINGTON — Just when it seemed that the national debate over abortion might take a backseat to a legion of pressing domestic issues, it has re-emerged as a threat to President Bill Clinton's plan to overhaul the health-care system.

Mr. Clinton, who campaigned on an abortion rights platform, plans to include coverage for abortions in the standard benefits package available to everyone under his comprehensive proposal, according to sources. Most private insurance policies include abortion services, and the president said last week that to exclude abortion would amount to a reduction in benefits for most insured working women.

PUEUNTE ROMANO HOTEL MARBELLA All the amenities of an exclusive beachfront resort hotel.

Angola Gets U.S. Recognition

Clinton Rewards 'Strides Toward Democracy'

WASHINGTON — The United States on Wednesday recognized the former Marxist government of Angola. "This decision reflects the high priority that our administration places in democracy," President Bill Clinton said in an Oval Office announcement.

Away From Politics

- Parts of the Colorado and Gunnison rivers are closed to rafters. Mesa County residents are bracing for expected weekend flooding caused by the melting of heavy snow in the mountains.

'Symbolic Issue' Resolved

Sтивен А. Хоулес of The New York Times reported from Washington: Administration officials say recognition of the government of President Jose Eduardo dos Santos had been withheld until now in an effort to get both sides to negotiate in good faith.

How to make an international call without Sprint Express. How to make an international call with Sprint Express.

A 6-step guide to using Sprint Express international calling service. Step 1: Get your hands on some of the local currency. Step 2: Get some change to use in that interesting looking phone booth on the corner.

Handwritten text: Jamaica 1350



EUROPEAN TOPICS

Not Exactly the Ritz, But It Has Its Warmth

A Swedish entrepreneur, Nils Yngve Bergqvist, is delighted with his new hotel — even as it disappears. For ARTIC Hall, in the Lapland town of Jukkasjärvi, is made entirely of ice.



THE BIRDIE'S THAT WAY — Chancellor Helmut Kohl grinning as he swivels Prime Minister Felipe González around for photos. The Spanish leader arrived in Bonn on Wednesday.

France's immediate awarding of the Légion d'Honneur to three heroes of the recent hostage-taking in Neuilly-sur-Seine brought divided reactions among the British about their own honours system.

Violent crime and theft increased last year in reunited Germany. Overall crime increased by nearly 10 percent in Western Germany, led by bag-snatching, break-ins and car thefts.

found that many fear being mocked by waiters or made to look ridiculous in front of friends. Diners were put off by French restaurants that did not translate menus into English.

Brian Knowlton

Attali to Sue Over Plagiarism Charge

PARIS — Jacques Attali, the president of the European Bank for Reconstruction and Development, said Wednesday that he would sue for libel after a magazine accused him of plagiarism in his new book.

used in a book by Mr. Wiesel and Mr. Mitterrand that is to be published by Mrs. Jacob's company. Mr. Attali has acknowledged transposing some of the passages in time. But he said in a statement, "The truth is the following: I was present, because I initiated them, at the conversations, François Mitterrand and my friend Elie Wiesel had with the idea of publishing a book."

Izvestia to Retain Its Independence, Court Decides

MOSCOW — The hard-line legislature lost a round in its battle to control the press Wednesday when the Constitutional Court ruled that it had no right to take over the newspaper Izvestia.

Scandal Widens to Engulf Genoa Mayor

GENOA — The city's mayor, Claudio Burlando of the former Communist Party, was arrested Wednesday on charges of theft and abuse of power, judicial sources said.

Investigators are looking into allegations that there were payments for work never carried out on the tunnel, which has already cost some 90 billion lire (\$60 million) and will need some 21 billion lire more to be finished.

Other men arrested in the case were Emanuele Romanengo, a businessman, and three city employees, Filade Fiorini, Giovanni Villa and Giacomo Pecci.

German electronics firm Siemens AG's Italian subsidiary, based in Milan, had also been arrested on suspicion of corruption.

Ragged 'Old Fritz,' a Tribute to Survival

By Marc Fisher

LETSCHIN, Germany — As statues go, this hamlet's Frederick the Great is neither big nor bold, neither inspiring nor original.

claimed the statue from police custody and reinstalled it in the central square. They had been primed by Wolfgang Bartsch, an innkeeper, the statue's chief defender and the toast of Letschin these days.

Back in Letschin, the local office of the State's Police received an order to dump the statue. The authorities dutifully buried Old Fritz in a graveyard and posted a 24-hour police guard at the site.

Old Fritz was reinstalled on a new granite pedestal in June 1990. During the dedication festivities, Mr. Bartsch presented Mayor Anna Deckow with a Frederick the Great figure. Today, the mayor, long since deposed as a politically tainted relic of the Communist era, says she is proud to have been honored with the "gift."

But within days after Letschin's Old Fritz was taken down, a few courageous souls — well, actually, the village drunks — had re-voice of the liberal conscience in Germany from the 1920s until a few years before his death.

Heinrich Albertz Dies, Nazi Foe Led West Berlin

BERLIN — Heinrich Albertz, 78, a former mayor of West Berlin and a clergyman who opposed the Nazis, later to become a key figure in the West German anti-war movement, has died.

He succeeded his fellow Social Democrat, Willy Brandt, as mayor of West Berlin in 1966 but resigned

leader in World War II, died Sunday in New York of heart failure.

That was no gift," Mr. Bartsch said. "That was a warning. It may seem light now, but this was our way of saying we weren't going to be bossed around by those party types."

INTERNATIONAL RECRUITMENT

REGIONAL DIRECTOR
The United Nations Development Programme, through its network of 24 country offices in the Asia and Pacific region, serves as the central planning, funding and coordinating agency of the United Nations system for development assistance.

Société de produits de luxe recherche un
ASSISTANT
pour seconder l'analyste financier dans la mise en place des états financiers, du suivi de la trésorerie, du budget et du reporting.

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ENGINEER, top level, robot, electron, etc., copiers, integrated industrial experience, especially Africa, USA, UK.

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FORMER DIPLOMAT (M), experienced, BA/M.A. University, European background, 4 languages, seeks international executive position.

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GENERAL POSITIONS WANTED
TRIANGULAR ITALIAN GRL, 30, traveled widely, excellent command of English, FL, expert/translator, excellent PA, good at organizing, seeks challenging position in EC country.

Handwritten signature: JAVIER LISA

# FOR THOSE SEEKING MORE THAN ONE DIMENSION TO TIME...

"A watch is just a watch, so long as it tells the time." It's the kind of statement that makes us all the more determined to safeguard one of life's irreplaceable pleasures — the multi-dimensional time of complicated watches.

For more than 150 years we have been making timepieces for men and women who see beyond ordinary time. Einstein owned a watch made by us *fig. 1*, so did Tchaikovsky, Wagner, Marie Curie and Charlotte Brontë. Each of them — whether scientist, musician or writer — had the rare gift of being able to exploit time as a creative element in their work.

Today we are still recognized as the only watchmakers whose timepieces adequately convey a sense of outstanding personal achievement. We can rise to your greatest occasion with a total of 33 horological complications — far beyond the capabilities of any other watchmaker. Our Calibre 89, the most complicated portable timepiece ever built *fig. 2*, expresses the full scope of time: astronomical time — from a star chart geared to the apparent movement of the heavens, to the times of sunrise and sunset; seasonal time, sidereal time and the equation of time *fig. 3*; long time in the 400-year cycle of the Gregorian calendar; short time with a split-seconds chronograph; the sound of time in a Grand Strike, chiming the hours and quarters, in passing, on a Westminster carillon; spiritual time in the date of Easter; and time that escapes gravity in the tourbillon escapement.

If you find the Calibre 89 a little inconvenient for everyday use, our watchmakers have brought together

the more essential complications in a number of wristwatches. You can be assured that each represents the finest watchmaking in the world.

You may find your most treasured possession in the handsome tonneau-shaped, perpetual-calendar watch *fig. 4*. The unique combination of a fly-back date-hand showing the progression of the month, and a minute-repeater, is a refinement that took us about four years to develop.

You will appreciate that there are no half measures in complicated watchmaking. We are building precision timekeeping instruments that you will expect to perform faithfully for a century or more. In our self-winding, perpetual-calendar wristwatches *fig. 5*, our own design and superlative craftsmanship ensure that the calendar mechanism absorbs an infinitesimal amount of power as it smoothly changes the day, date and month, records the quarters of the day and the leap-year cycle. The moon-phase in our perpetual calendars is extremely precise, taking 122 years and 45 days to accumulate the hardly discernible variation of a single day.

Our perpetual-calendar and chronograph combination *fig. 6* finds particular favour among collectors who

enjoy the finer points of mechanical watchmaking. Through the sapphire-crystal caseback, you can admire the exquisite hand-finish

of our movements and bring into play the precisely coordinated actions of the column-wheel, levers and gears *fig. 7*.

Impeccable workmanship is taken for granted by those who wear our watches. But if you choose one of the half-dozen or so slim, self-winding, perpetual-calendar repeaters *fig. 8* that we complete each year, you can expect much more. We have encapsulated in our most sophisticated wristwatch the ancient and authentic sound of time. Celebrate a moment — any moment — by making the mechanism ring the hours, quarters and minutes with the pure, clear resonance that only we have been able to achieve in a minute-repeater.

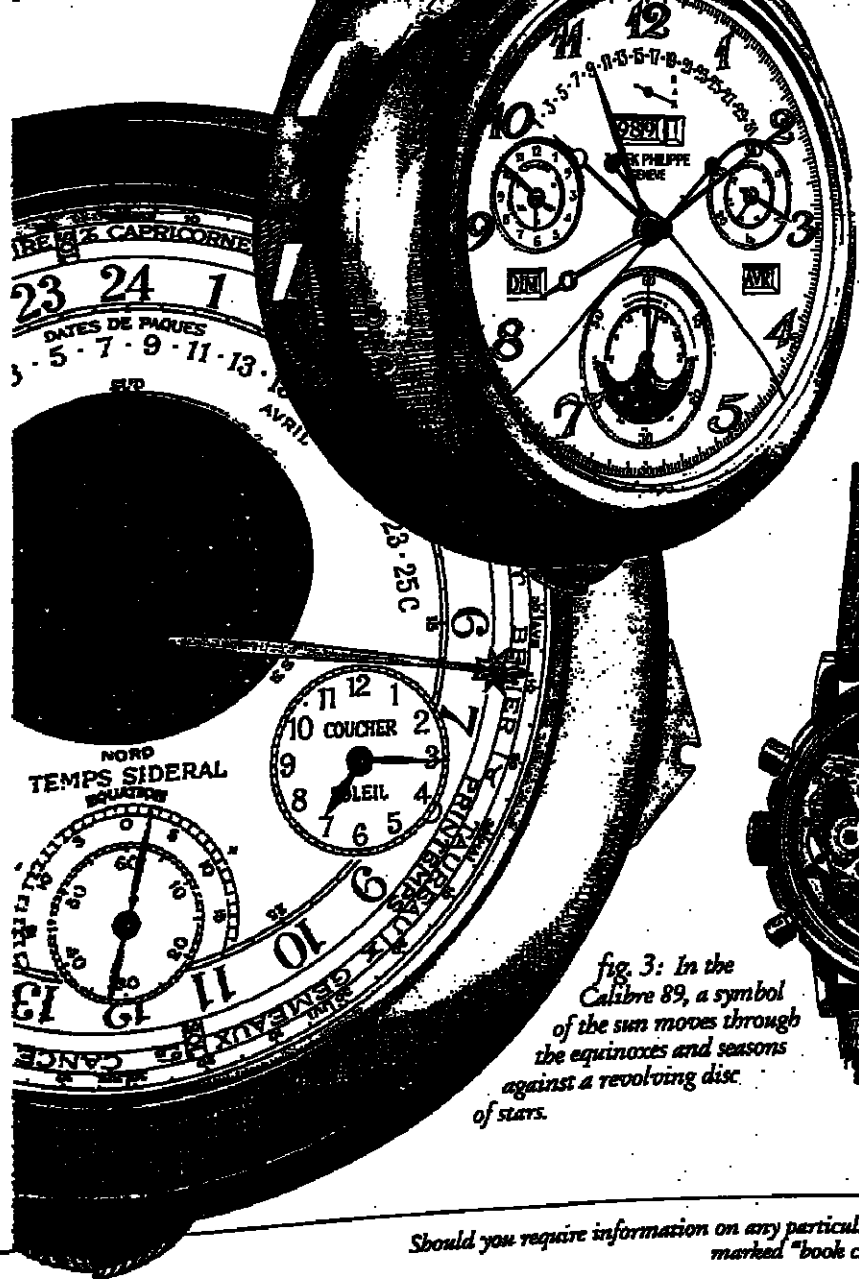
Those who consider a watch is just a watch, so long as it tells the time, will be gratified to learn that in this elegant wristwatch *fig. 9*, time is told both by a minute-repeater and by an observatory-rated chronometer. In it moves the most ingenious compensation device known to horological engineering. The rotating tourbillon cage literally absolves the watch's regulator from the laws of gravity — removing one of the last obstacles to the final frontier of mechanical precision.

But if you seek that extra dimension to time, to mark your achievement, to inspire your creativity or simply to enjoy sublime watchmaking, you will almost certainly wear one of our timepieces one day. You will then come to recognize the touch of the world's finest watchmakers *fig. 10*, and know that the name on the dial can only be Patek Philippe.

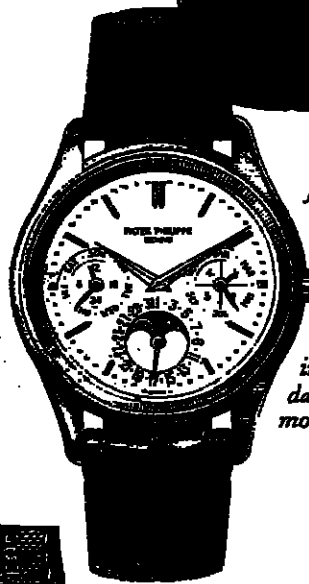
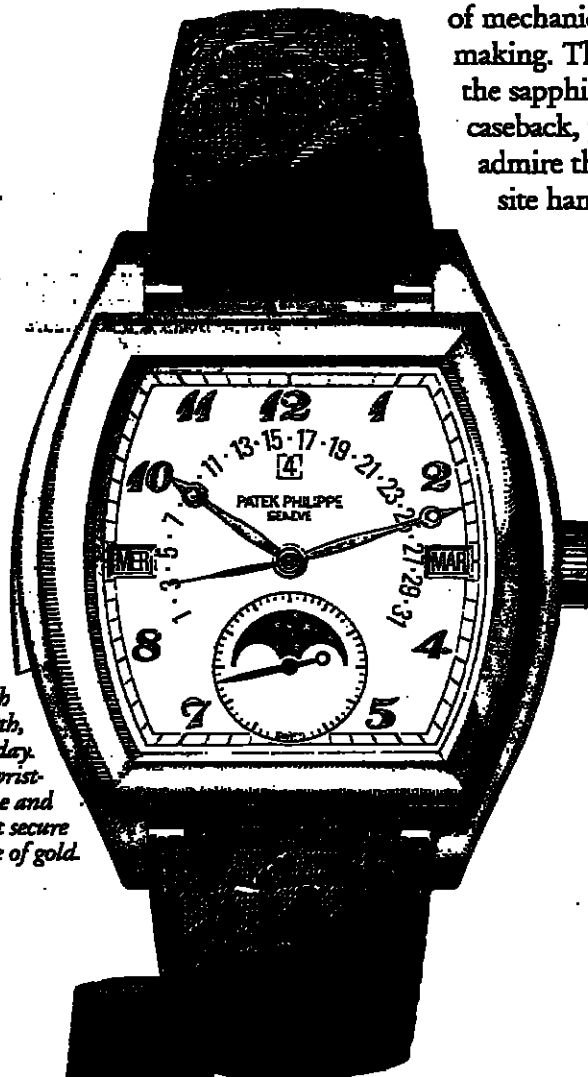


*fig. 1: Einstein's daily inspiration.*

*fig. 2: Time on a cosmic scale in the Calibre 89 — the most complicated portable timepiece.*



*fig. 4: Ref. 5013. Self-winding, minute-repeating wristwatch with perpetual calendar, moon-phase and a retrograde date-hand, which flies back to the beginning of the month after reaching the 28th, 29th, 30th or 31st day. In Patek Philippe wristwatches, the buckle and the hidden pins that secure the strap are of gold.*



*fig. 5: Ref. 3940. The finish on the case and the bracelet reflects the perfect functioning of Patek Philippe's ultra-thin (3.75 mm), self-winding, perpetual-calendar wristwatch with moonphase.*



*fig. 6: Ref. 3970. The perpetual-calendar chronograph...*

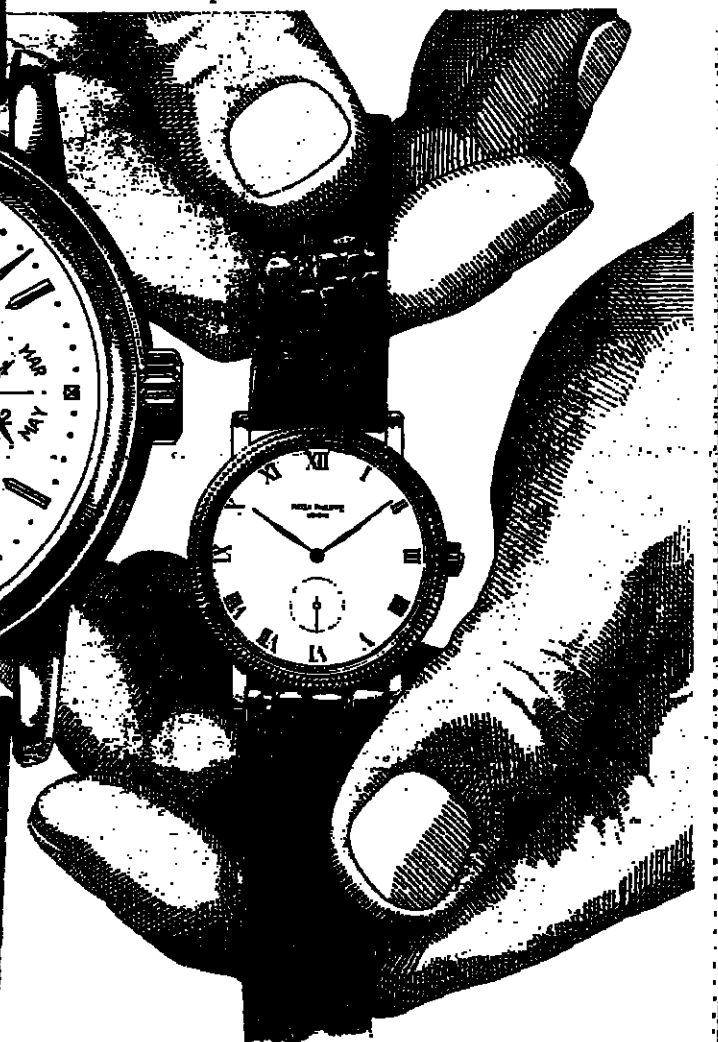
*fig. 7: ...displaying the poetry of traditional hand-finishing.*

*fig. 8: Ref. 3974. The confidence of a smoothly functioning perpetual calendar, and the pleasure of bearing the time, combined in one of Patek Philippe's most sophisticated wristwatches.*



*fig. 9: Ref. 3939. A minute-repeater which is also a rated chronometer. A tourbillon device cancels out the effects of gravity.*

*fig. 10: Ref. 3919. The gentleman's classic wristwatch. One of the many introductions to Patek Philippe's dimensions of time.*



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Should you require information on any particular Patek Philippe watch, or even on watchmaking in general, we would be delighted to reply to your letter of enquiry. And if you send us your card marked "book catalogue" we shall post you a catalogue of our publications. Patek Philippe, 41 rue du Rhône, Geneva, Switzerland.



# Maastricht's Other Reputation: Crossroads of the Drug Trade

By Jeffrey Stalk  
Special to the Herald Tribune

MAASTRICHT, Netherlands — The police call them "drug tourists."

Taking advantage of relaxed border controls, hundreds arrive daily in the southern Netherlands by train, car and bicycle or on foot from Germany, Belgium and Luxembourg. They do their "shopping" on Dutch soil because of the better quality and greater availability of the drugs, lower prices and more lenient narcotics laws.

The ease with which drugs are purchased in the Netherlands and then transported across its borders has angered some of the country's European Community partners, particularly France, which is just a short ride or drive away.

Last month, the French government dealt a blow to plans for a Europe without borders by announcing that, previous EC accords notwithstanding, it would maintain its border checkpoints through 1993. Allain Lamassoure, France's minister of European affairs, cited the Netherlands' lax policy against drug trafficking as one major reason for the decision.

Drug tourism is prevalent throughout the Netherlands' southeastern region, but it is the ancient city of Maastricht — which shares a border with Belgium — that is getting the biggest black eye from it.

Located less than a kilometer from the Belgian and German borders, Maastricht attracts between 500 and 1,000 "drug tourists" a day. Dutch journalists have focused on this city to illustrate the extent of the cross-border narcotics trade, spotlighting such routine cases as the recent arrest of a man in northern France who the police said had concealed six grams of heroin and a gram of cocaine purchased in Maastricht behind his car dashboard.

"It is because Maastricht has gotten so well known that we are getting this kind of reputation," a police spokesman, Math Dery, said. "Every city on the Dutch side of the border has the same problem, but all you hear about is Maastricht."

Mr. Dery described Maastricht as a "beautiful city and a relatively safe city" but acknowledged that drug dealing was a serious problem that was tarnishing its image. Drug dealers openly do business at various locations around town, and the influx has led to an increase in thefts and other crimes.

The residents have complained that foreign drug addicts drive recklessly through town, urinate against buildings, beg for money, steal, are verbally abusive and sometimes quarrel violently among themselves.

A butcher, Roland Tonmeer, said thieves had broken into his shop twice, stealing a total of 2,000 guilders (\$1,300). Asserting that the shoplifters were drug users staying at a nearby shelter for the homeless, he has circulated a petition to have the shelter moved out of the city center.

One of the 300 people who signed the petition was Renée Koers, owner of the Stadstel bar near the Maas river. "We are seeing more and more addicts coming into the city," she said. "It is not a good advertisement for Maastricht. They break into cars, they steal to get money to buy drugs. The police come by and tell them they have to go, but in a little while they are back."

For all of its international fame, Maastricht — established by the Romans 2,000 years ago — remains a small and largely traditional city whose 120,000 residents prefer to take pride in clean streets and well-maintained buildings. Against its neat and tidy exterior, the shabbily dressed addicts are like a sore thumb.

The understaffed police department has created a 16-officer task force to combat the drug problem but admits it cannot eradicate it under the country's existing drug laws.

Suspects found in possession of less than a gram of heroin are let go. Those caught with less than 20 grams might spend a few hours in police custody, but then they, too, are released.

Little evidence of drug dealing was visible at first during a recent walk along Maastricht's cobbled streets. The central train station bustled with activity, but there were no signs of any drug-dealing among passengers waiting for their trains. Likewise outside the station, neither a uniformed police presence nor any obvious signs of drug buying were in evidence.

At a tiny park called Klein Griendje near the Maas, however, the story was different. There, a small knot of men and women, apparently oblivious to the giant river barges passing behind them, huddled quietly together, furtively exchanging objects among themselves. From time to time, people left or entered the park, ignoring the stares of local residents. No uniformed police officers were on hand.



Pedestrians who braved Sarajevo streets to do some shopping fleeing Serbian sniper fire Wednesday.

# Croats and Muslims Battle Despite Truce

By Chuck Sudetic  
New York Times Service

MEDJUGORJE, Bosnia-Herzegovina — Bosnian Muslims and Croats fought gun battles near the central Bosnian town of Vitez on Wednesday, less than nine hours after their leaders concluded a cease-fire accord here and pledged to proceed with partial implementation of a UN peace plan.

The fighting took place just outside the Vitez command center of British United Nations peacekeeping troops, who were reduced to gathering the dead. Accurate casualty figures were not available.

The Muslim-Croat fighting that erupted in Vitez has dealt a serious setback to the co-chairmen of the UN peace talks for the former Yugoslavia, Lord Owen and Thorvald Stoltenberg. They met here on Tuesday with Bosnian Muslim and Croatian leaders and won agreement on partial implementation of the peace plan, which would recognize this war-ravaged land into 10 ethnic cantons.

In Geneva on Wednesday, the United Nations human rights investigator, former Prime Minister Tadeusz Mazowiecki of Poland, said the peace plan itself has encouraged Croatian extremists to

forcibly expel Muslims from areas they consider to be "Croatian" under the plan.

"The peace plan, according to which Bosnia and Herzegovina would be divided along ethnic lines, has been used in order to create ethnically homogeneous areas," Mr. Mazowiecki wrote.

"The lack of an effective international response to counter the policy of ethnic cleansing perpetrated by Serb forces," he wrote, "created the precedent of impunity which has allowed them to continue and which has encouraged Croat forces to adopt this same policy."

Local media reports also spoke of new clashes Wednesday between Muslim and Serbian forces in northern Bosnia near the town of Zavidovici, about 80 kilometers (50 miles) north of Sarajevo, despite a declaration by Bosnian Muslim and Croatian leaders that their forces had ceased military operations.

About 95 percent of the 1.1 million Bosnian Serbs who cast ballots in a referendum over the weekend voted against acceptance of the UN peace plan and for formation of a Bosnian Serb state, according to official referendum results announced Wednesday in Pale.

(Reuters, AP)

# TREATY: It Advances in Britain

(Continued from page 1)

Party offering different views. They are genuinely worried about it." He added, "At the moment I am prime minister and there isn't going to be a federalist Europe."

Nor is it likely that the European economies will merge, he emphasized. "Even if one assumed that a single currency was right for Europe — and I have never made that assumption — it is not the case that the European economies have converged in the last few years making that possible."

"If anything they have diverged, and the prospects of moving rapidly towards European monetary union seem to me to have drifted away very substantially."

[Mr. Major also said starting would not rejoin the exchange-rate mechanism unless the currency grid was revamped, Reuters reported. "We are not going back into an unreformed ERM," he said. "The conditions for considering re-entry, let alone re-entering, do not apply at the moment and in my judgment are unlikely to apply for some time in the future."]

The Maastricht treaty, which has haunted Mr. Major, split the Conservative Party and consumed nearly half of Parliament's sched-

ule over the winter, is virtually certain to pass in the Commons on Thursday because the opposition Labor Party has pledged to abstain from the vote.

During the complicated round of proposed amendments and procedural votes, an alliance of convenience cropped up to oppose the government. It was made up of right-wing Tories implacably against the idea of uniting with Europe, and left-wing Laborites who supported the concept of union but wanted the social provisions included.

They found common ground in trying to embarrass Mr. Major, whose position was further weakened by a bad economy, squabbles over such things as closing mines, cutting back the military and devising tests for a national school curriculum.

But now, with Labor out of the picture Thursday, the treaty is expected to pass by a margin of 150 to 200 votes. In two weeks it moves on to the House of Lords, where passage is eventually likely, most British pundits believe. But the measure will still have to overcome fierce opposition in that chamber from such well-known Conservatives as Lady Thatcher.

# DANES: Both Sides Back Police

Continued from Page 1

and eight tons of rocks and bricks at the police.

The squatters and anarchists apparently rioted in protest against Denmark's political and business establishment, which strongly supports the treaty.

Niels Mortensen, a sociologist, termed them "a marginal group who have chosen to make all society their enemy."

"One does not need to fear," he added, "that normal Denmark will now be split into a 'yes' and 'no' Denmark."

A police spokesman called the riots "the worst we have ever experienced in Copenhagen."

"We witnessed an aggressiveness and disregard for human life," he said, "that we have never experienced before."

He said the police fired about 100 warning shots, then aimed into the crowd when it seemed the rioters might kill an injured colleague lying on the ground. His account was backed by Mr. Rasmussen, who said it had been "a question of life and death."

The vote overturned last year's referendum, in which Danes narrowly rejected the treaty, plunging the Community into a political and economic crisis.

The shift came after Denmark negotiated exemptions from some elements of the treaty, which provides for economic and monetary union and a common foreign policy for the 12 EC states.

Mr. Rasmussen held out an olive branch to the defeated "no" voters, saying they would be consulted by ruling politicians. (Reuters, AP)

# EC Unity Can Wait, Most Germans Say

By Brandon Mitchener  
International Herald Tribune

FRANKFURT — If given the choice, most Germans would rather get a grip on their country's transformation before moving toward closer European ties, and an overwhelming majority wish Danish voters had rejected European unity, according to a poll published Wednesday.

Another poll, however, confirmed anecdotal evidence that nearly three years after German reunification most people think the country's two halves are growing further apart, which suggests that Europe could be asked to wait indefinitely.

The first poll, which was conducted before Danes voted in favor

of the Maastricht treaty Tuesday, showed that 66 percent of eligible German voters hoped the Danes would reject it, which would have scrapped plans to create a United States of Europe by 2000.

Only 24 percent of Germans hoped the Danes would vote in favor of the treaty, while 10 percent did not care. The poll was conducted by Germany's Wickert Institute last week.

Fifty-four percent of those polled said further European integration should wait until the burden of German reunification had eased, and 46 percent said both processes should continue simultaneously. In answer to a hypothetical question, a far larger majority, 75 percent, said it would have been

better if German reunification had been hastened before work on a new Europe was begun.

Germany has no plans to hold a referendum on Maastricht, but 83 percent of the Wickert poll's respondents said they thought a referendum would be a good idea.

West and East Germans, meanwhile, are falling increasingly short of each other's expectations. In an April poll conducted by the Allensbach Institute for Public Opinion Research, only 22 percent of West Germans and 11 percent of East Germans felt more solidarity than competition with their compatriots, while 71 percent of West Germans and 85 percent of East Germans said "opposing interests" outweighed the common ones.

Moreover, the percentage of West Germans who felt the two regions were growing closer fell to 18 percent in January from 28 percent three years ago, and only 12 percent of East Germans felt closer, versus 24 percent in 1990.

Forty-four percent of West Germans and half of all East Germans felt they were far from the spirit of togetherness hailed at the instant of German reunification.

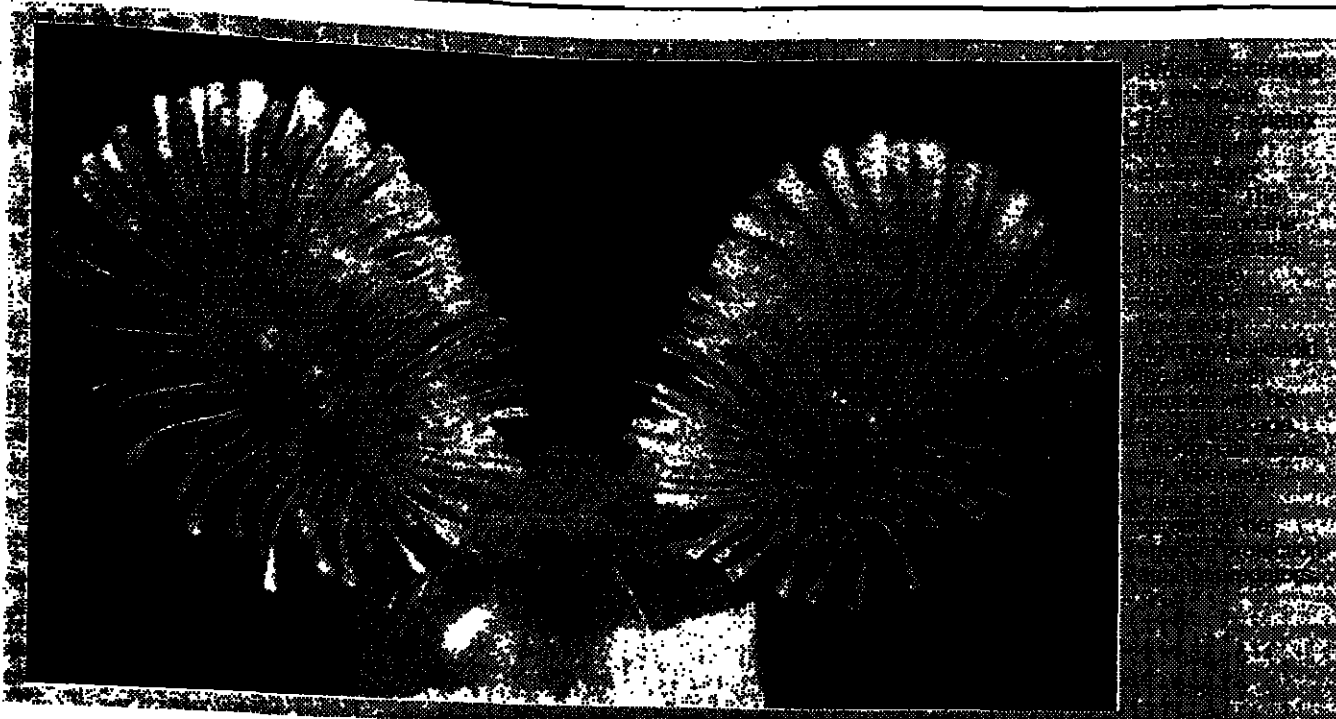
The results were published in Wednesday's editions of the Frankfurter Allgemeine Zeitung.

Asked whether they consider themselves "Germans" or "citizens of the former East Germany," 52 percent of people polled in the five new states said they identified with the latter characterization.



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HEALTH / SCIENCE



Mating Games of a Finicky Moth

By Natalie Angier  
New York Times Service

**N**EW YORK — Is there no end to the finickiness of the female heart? It would seem quite enough that a female bullfrog requires of her suitors a night of aerobically drumming serenades to prove their worthiness as lovers. Or that a female pit viper first will watch impassively as males compete like frenzied, one-armed wrestlers for the privilege of wooing her, and then demand that the victorious male spend long hours rubbing her with his chin and flicking her with his tongue before agreeing to the big event.

Now scientists have discovered strong evidence that a female's discriminating taste in mates can continue even after intercourse is through. Biologists studying an orange and black moth common to the Southeast, Mexico and the Caribbean have found that a female will mate with more than one male and then actively select from the various offerings the sperm of the biggest male she has mated with — the mate presumably bearing the most robust genes for her offspring.

Studying the *Utetheisa ornatrix* moth, Dr. Thomas Eisner of Cornell University in Ithaca, New York, and his colleagues Dr. Craig W. LaMunyon, now of the University of Arizona in Tucson, found that female moths engage in promiscuous sex to gather the desirable packages of defense chemicals and nutrients that accompany the male's sperm during intercourse.

But once the various nuptial gifts have been collected, the female uses internal muscles of her reproductive system to push along the sperm of the biggest male toward her eggs, while reabsorbing the semen of a lesser male before it can fertilize.

The new study, in *The Proceedings of the National Academy of Sciences*, offers the first real proof that females engage in postcopulatory sexual selection, picking the sperm they want and rejecting the sperm they do not, and altogether assuming complete control over their reproductive fate.

"The more we learn about this moth, the happier my daughters are," Dr. Eisner said. "They tell me this is the ultimate liberation story."

Other evolutionary biologists with a long-standing interest in the role of female choice in shaping animal appearance and behavior praised the new work as a gem of an experiment.

"I think it's just wonderful, a significant piece of work," said Dr. Randy Thornhill of the University of New Mexico in Albuquerque. "They certainly did some nice maneuvers to look at the effect of the female in manipulating the paternity of her offspring," Dr. Thornhill, who was the first to suggest that females might engage in post-copulatory selection of sperm, said the strategy was likely to be widespread in the animal kingdom.

Wherever there is something for females to gain from mating with more than one male, he said, there will be incentive for them to devise ways of gaining the advantage of philandering without paying the cost in possibly bearing the feeble offspring of feeble males.

**T**HE new work is the latest chapter of an in-depth investigation of mating schemes of the *Utetheisa* moth. In past work, Dr. Eisner and his co-workers showed that the males invest enormous amounts of time and effort gathering defensive alkaloid chemicals from bean plants to pack along with semen and protein into so-called spermatophores, which the males offer to females as incentives for mating.

The female needs the defensive chemicals to spread on their eggs as protection against predators. In addition, she craves the extra nutrition and calories found in the spermatophore as a way to heighten her own strength and fecundity.

To demonstrate that he is endowed with a generous spermatophore, a courting male will extrude from his head brushes scented with a whiff of the defensive alkaloid, and lightly whisk the little brushes against the female.

While the male may hope the donation will pay off in his being represented among future generations, the female seems to have an agenda of her own.

The scientists have determined that while a female will mate with up to 13 males during her fertile period if she gets the chance, her eggs end up being entirely or largely inseminated by one male.

Following 53 female moths mating with two males apiece and then examining the paternity of the offspring through genetic variations, the scientists discovered that in 70 percent of the cases, the bigger male sired 100 percent of the offspring. It did not matter if the bigger male was first or second in the mating lineup, his sperm cells almost inevitably found their way to the eggs.

To explore whether the outcome of the fertilization is the result of the superior mobility of the larger male's sperm, or whether the sperm's progress is under the female's direct control, the biologists allowed females to mate, and then put the moths under anesthesia. The anesthesia was known to be of a type that does not inhibit sperm mobility, but instead acts only on the muscles of the female's genital tract. In theory, if the sperm themselves were competing by swimming more or less rapidly in greater or fewer numbers, then the female's musculature should have little effect on the sperm wars.

Under these anesthetized conditions, the sperm of both males stayed right where they had been deposited, near the portal of entry. Without the female to guide the sperm toward her egg chamber, or to push it aside as unworthy, nothing happened.

Dr. Eisner said they had not ruled out the possibility that the sperm were somehow disoriented in subtle and undetectable ways, but he said, "this is the first case with reasonable data to say the female is making the choice." By this scenario, the female detects the largest male because the largest male also makes the largest spermatophore.

Breast Cancer and Dietary Fat  
A New Study Finds No Link, but Research Goes On

By Jane E. Brody  
New York Times Service

**N**EW YORK — A new study has failed to find a clear-cut connection between dietary fat and breast cancer. But researchers and commentators cautioned that it was too early to rule out a link.

In the study, being published Wednesday in *The Journal of the National Cancer Institute*, researchers analyzed the body fat of 380 women newly diagnosed with breast cancer, and compared the findings with a similar fat analysis of 176 women with benign breast disease and 397 women without any breast disease.

Since the constituents of body fat represent dietary habits going back at least two years, the analysis is believed to reflect people's dietary habits more accurately than just asking them what they eat.

The researchers, from Los Angeles and Boston, checked the body fat samples for levels of saturated, mono-unsaturated, polyunsaturated, trans and omega-3 fatty acids.

Laboratory studies have suggested that intakes of saturated, polyunsaturated and trans fatty acids, formed during the processing of polyunsaturated fatty acids, may promote cancer, while omega-3 fatty acids, found primarily in fish, may be protective.

The researchers also examined the women's blood and diet for levels of antioxidant nutrients, including vitamin E and beta-carotene, which are thought to protect against cancer.

The team, headed by Dr. Stephanie J. London, now at the University of Southern California at Los Angeles, found no statistically significant relationship between any of the fat constituents or levels of antioxidants and the women's chances of having breast cancer or benign breast disease.

Dr. London and her collaborators, from Harvard's Medical School and School of Public Health and Massachusetts General Hospital, concluded that intake of the various fatty acids "at least in the range experienced in the American diet" did not seem to influence the risk of breast cancer risk.

But the findings do not prove that no

relationship exists. As stated in an accompanying editorial by Dr. Alice S. Whittemore of the Stanford University School of Medicine and Dr. Brian E. Henderson of the Salk Institute for Biological Studies in La Jolla, California, a person's body fat composition reflects only the type, not the amount, of fat habitually eaten.

**S**TUDIES of breast cancer rates in different countries and animal experiments suggest that the more fat habitually in the diet, the higher the risk of developing breast cancer. But looking only at American women, a link between fat intake and the risk of breast cancer has been hard to establish.

One reason may be that fat intake early in life, not necessarily around the time breast cancer develops, may be the strongest influence on future risk, and no studies to date have measured this.

Another possibility is that the levels of fat in the diets of American women are not different enough to discern a difference in cancer risk related to eating habits.

From Vitamin E, New Buzzwords

By Robin Herman  
Washington Post Service

**W**ASHINGTON — The young man behind the high-priced cosmetics counter warned of the dangers of "free radicals." The company's creams containing sunscreen and Vitamin E, he asserted, could protect against these invisible particles that attack the skin and age it. "They're everywhere," he said. "In pollution, dirt, all the toxins in our environment."

The salesman had his biochemistry right. "Free radicals" are ubiquitous, a volatile type of oxygen molecule that can destroy the DNA of cells in the body. Word about the role of free radicals in promoting the scourges of aging-damaged skin, cancer, heart disease, cataracts and other degenerative ailments is being broadcast from the leading medical research laboratories.

And so is the possibility that high doses of certain common vitamins can combat these particles.

Free radicals are an inescapable consequence of human life. They can attack from without — spawned by the sun's ultraviolet rays acting on the skin — and from within, as a natural byproduct of normal metabolism in which cells turn food and oxygen into energy. Smokers inhale vast quantities of

free radicals produced by tobacco as it burns.

A free radical is a molecule that carries an extra electron. In this unstable state, it is highly reactive, seeking other molecules with which to bind. When an oxygen free radical binds, the process is called oxidation.

Hence the new buzzword, antioxidant. National brands of multivitamins are adding bold lettering to their packages: "Including the Complete Antioxidant Group."

Every cell in the body, it is estimated, is bombarded 10,000 times a day with free radicals, which in turn spawn other free radicals. Over time, the cell's natural system to repair itself cannot keep up with the assault, according to the theory, and the body degenerates. Compounds that are antioxidants are scavengers of free radicals, binding them up before they can inflict damage.

While public health officials await definitive word from ongoing studies, many consumers and, indeed, many physicians, have already embraced high-dose oral supplements of the anti-free radical vitamins-C, E and beta carotene — as protection. These vitamins, goes the theory, soak up the highly destructive oxygen molecules and prevent them from damaging cells. Scientists know, for example, that cell damage is part

of the chain of events that leads to cancer.

This free radical theory of aging was first proposed in the late 1950s, but only recently has the enthusiasm for vitamins to block these agents reached the fad level. Redesignated breakfast cereal boxes blare "Now with Beta-Carotene" as they very recently bragged of low fat and cholesterol. Skin care companies, which already had incorporated Vitamin E into their creams as an emollient, are now touting its effects against free radicals.

**T**HE current king of the protective compounds is Vitamin E, riding on the wings of epidemiologic studies that track the health and self-prescribed diet of thousands of participants. Statistics from these observational studies are showing that people who take E supplements have a dramatically lower risk of heart disease. Whether credit should go to the vitamin pills or to some characteristic type of people who choose to take these vitamins remains murky.

But can Vitamin E protect against heart disease, cancer and other degenerative diseases?

"I can't say it's been unequivocally demonstrated, but most things are pointing in the right direction," said Dr. Huber Warner, deputy director of the Biology of Aging program at the

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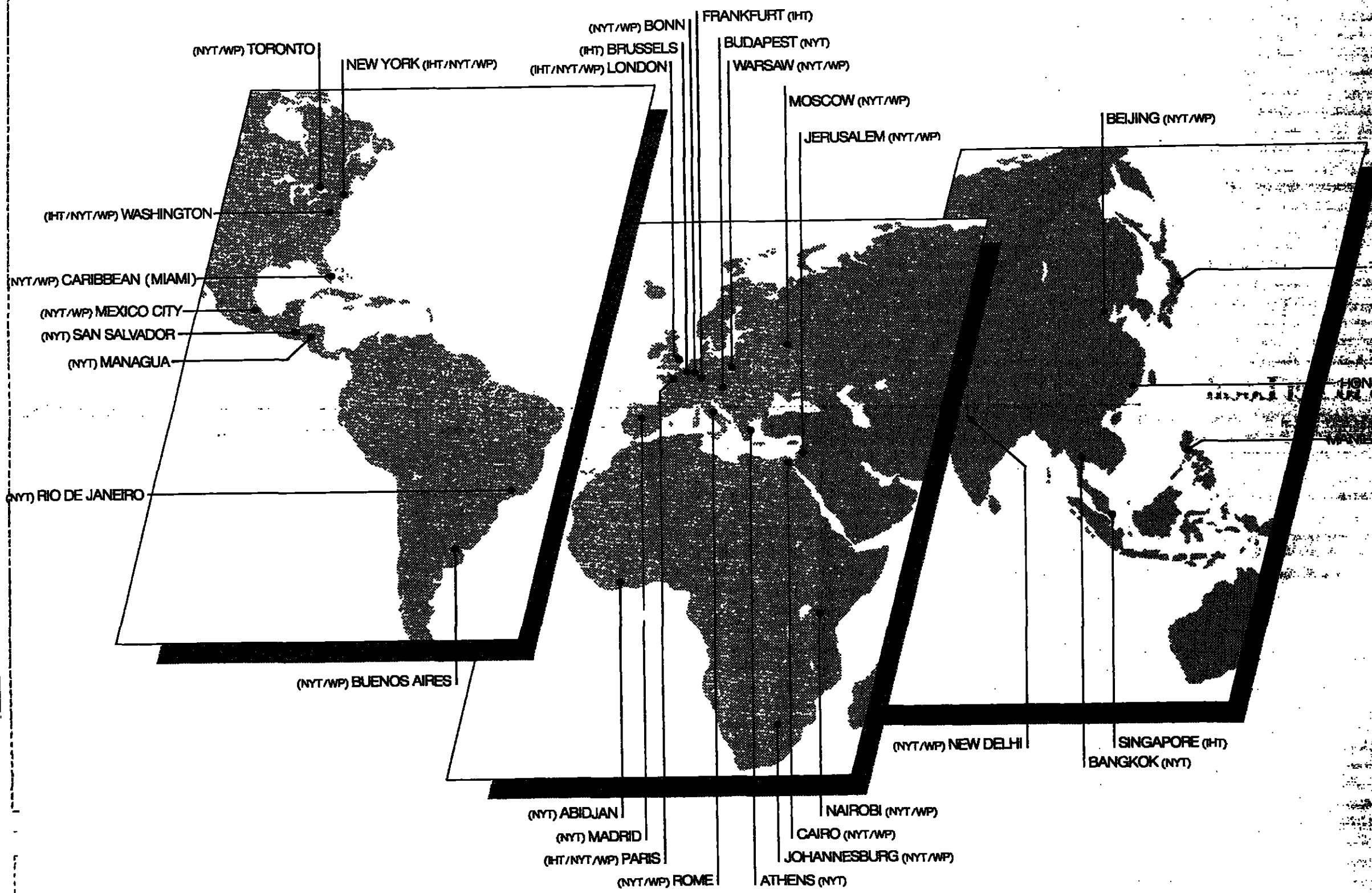
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OPINION

As the Clinton Ideas Flow, Public Support May Ebb

By David S. Broder

WASHINGTON — Dick Morris, a New York political consultant who worked with President Bill Clinton in his Arkansas gubernatorial races but not in his presidential campaign, has an interesting perspective on Mr. Clinton's performance as president. "There is," Mr. Morris said in an interview last week, "a tremendous similarity between what is happening now — with the lack of focus — and what happened his first term as governor of Arkansas. I call it the pent-up ideas syndrome. He goes through life like a camel, storing up ideas, and when he first gets into a job, they just come gushing out of him."

It is not a pretty metaphor, but Mr. Morris says that in Mr. Clinton's first two years as governor (1979-80) he began so many initiatives that "the summary of his achievements filled five single-spaced pages." Trouble was, he said, most of them were funded as inexpensive pilot projects, so at the end of two years, "people knew Bill had put through a big increase in auto license fees to pay for his suit, but they couldn't see what he'd bought." Mr. Clinton was voted out of office.

When he regained the governorship in 1982, Mr. Clinton did not repeat the mistake. Instead, he focused on jobs and education. Mr. Morris says he sees Mr. Clinton going through the same transition now — searching for a focus before the voters turn away from him. It is a necessary effort and the president is wise to be undertaking it. But it will be no easy task to fit the ambitious policy agenda he has in mind to the political constraints that he is facing.

Last week, I talked to some key Democrats in Congress about his prospects. The good news, most of them said, is that he is likely to see Congress meet the deficit-reduction targets he has set — even if the mix of tax hikes and spending cuts is quite different from his plan.

But the bad news is that many of his favorite "investment initiatives" will be cut down to pilot-program size and some will disappear. And Mr. Clinton will be left with a daunting challenge in mustering public support for crucial pieces of his agenda.

The House Ways and Means Committee chairman, Dan Rostenkowski, who engineered the victory for the Clinton tax package in his committee last week, said the plan does not have the public backing it needs to clear higher hurdles in the Senate. "He's got to get back to some-

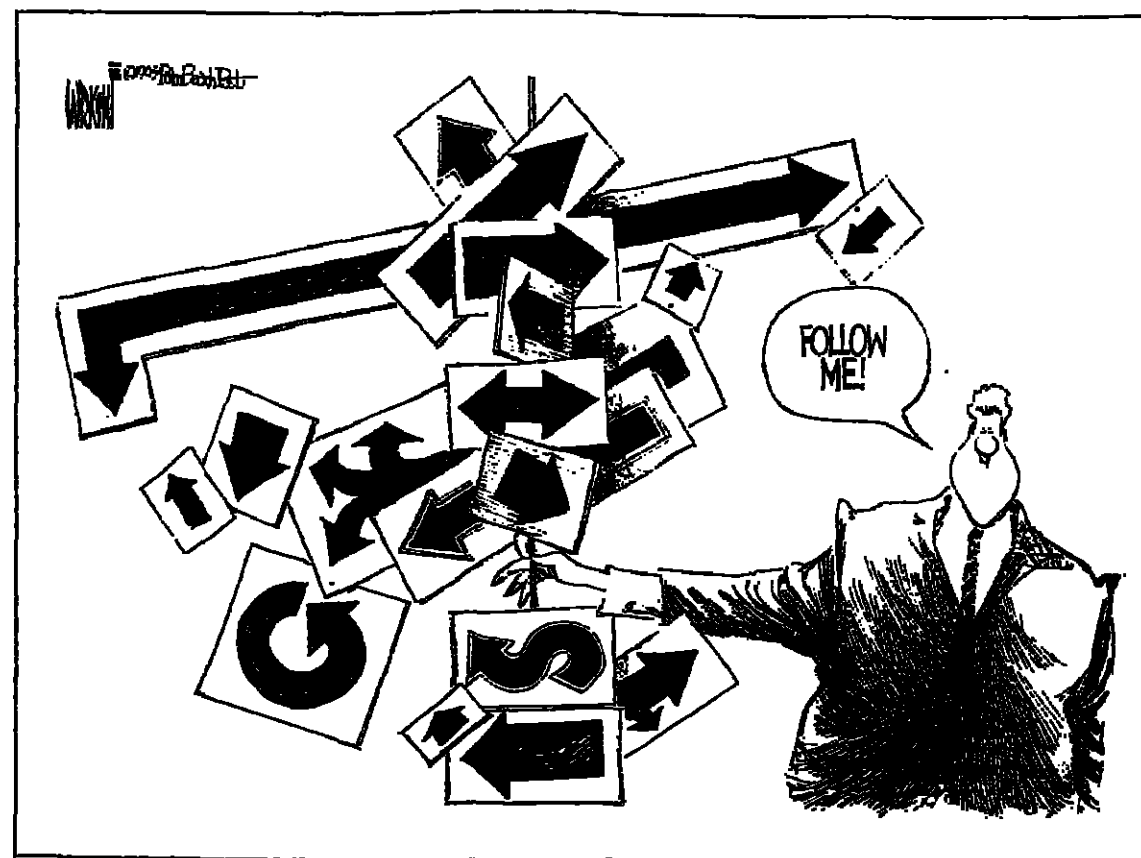
thing that people are enthusiastic about," Mr. Rostenkowski said. "He's out there all by himself now."

The House majority leader, Richard Gephardt, said that even if the president was able to sign the budget reconciliation bill into law by August, the autumn holds even bigger challenges. The health-care plan will be up for public debate — a piece of social legislation every bit as ambitious as Franklin Roosevelt's New Deal and Lyndon Johnson's Great Society program.

In addition, Mr. Gephardt noted, Mr. Clinton will simultaneously have to undertake a huge public education and sales campaign for the North American Free Trade Agreement, which Mr. Gephardt recognizes does not yet have the votes to be approved. "We all have to do a better job — including the president," he said.

What makes this harder is that Mr. Clinton is operating with a far shakier political base than Messrs. Roosevelt or Johnson, who were elected by landslides, had when they launched their own programs. He won only 43 percent of the vote in November and has converted few Perot or Bush supporters to his cause.

In the interview, I asked the president a question I had been thinking about for months. During the campaign, I reminded him he had talked about inviting Republicans and independents to join his administration. When he saw the election returns, did he ever consider forming that kind of multiparty "national government," and did he now think it might have strengthened his hand?



The answer, he said, was no. "I don't know that there's anybody I could have put in the cabinet, for example, that would have made a difference."

But the question seemed to nag at him. Three times he returned to the subject unprompted. The results, he said, "almost presented us with a parliamentary-like political situation here, in which cabinet selections themselves

might have made a difference. Maybe. But I didn't really think that."

Later he said, "It may be that there was something I could have done early on — to enlist help from Republicans and Perot supporters. Finally, he said he had never thought of it in the way my question was framed, but that it had made him "think that with the electorate divided in three ways like that, you

might argue that it almost created the sense of an old parliamentary thing — that is, a government with more than one party represented in the cabinet."

It is late in the day for such a strategy. But one way or the other, Mr. Clinton has to build a broader political base or face the constant threat of his ambitious policy agenda toppling of its own weight.

The Washington Post.

Heal the Rogues' Wounds And Make Sri Lanka One

By Indran Amirthanayagam

NEW YORK — All lovers of that riot of nature, that former paradise known as Sri Lanka, where 78,000 people have been killed in political violence since 1983, should remember the metaphor of the rogue elephant.

This elephant has been cast out of the herd. Perhaps it is mad; perhaps it harbors some wound that does not allow it to graze in peace with its brothers and sisters. So it leaves the herd, or is forced out. And alone in the jungles it eats the dry leaves of loneliness. And when it spots a group of holiday travelers 30 yards down the dirt road — my family in a jeep — it charges.

We were lucky in 1965. The tracker who accompanied us spoke some com-

And I wonder what Velupillai Prabhakaran, the leader of the Tamil Tigers, "The Boys," thinks today, holding court in his bush empire. How many Tamil boys and girls have died for Eelam, the separate state the Tigers want? How many Tamil critics of Tiger methods have been silenced?

Oh, but I can hear the allowances made at a bachelor party on a recent visit to Sri Lanka. There was a lot of drinking and a fight started. A close friend of the bride punched a friend of the groom. Hands in the air — come, come, let's sort it out. And the conciliatory voice of an adult: They are just boys. They get drunk, play tricks on their companions. The wedding will take place. The sun will shine in the morning. Everything will be all right.

Enough of these denials. The boys and men who come to kill are not just rowdy drunk. If only for a minute, the wedding could create a space in a Sri Lanka where there is no need for the explanation that smooths over the truth. If only we could wear our tropical suits and sing our hymns and drive home to parties that admit our various bloods and the bonds that unite us.

The British saw cricket as a savior, something they could offer to smooth over the harder aspects of their kingship over poor native subjects.

And we adopted the genteel ideas of sportsmanship. But we also called ourselves the Tamil Union Cricket Club or the Ceylon Moors, or the Sinhalese Sports Club. Perhaps we were honest. Perhaps we thought that even in cricket we must acknowledge the hatreds that eat away at our gestures of brotherhood and our adopted salutations — Good show, chap! Well done!

Well done, Sri Lanka! Here we go again! The new president, D. B. Wijetunga, has said that he will resume negotiations with the Tigers.

I welcome these words. The nightmare rides upon sleep, said Yeats about Ireland. But then we awake, as we must. And we must go about our business, and raise our children, and welcome back the family that has dispersed to Canada, Europe, India, if only for a visit.

And let us have a roaring reunion. Let us have Bharata Nattiyam dancers and bala singers and pianos and tablas. Let us have Hindu pujas and the rosary and the Four Noble Truths of Buddhism.

Let us invite the burghers to return from Australia and the Tamil slavers away from the restaurants of Paris. Let us have a government of national unity. Let us care for the remaining herds of elephants. Let them have jungle and grassland. Let us develop poisons to heal the wounds of the rogues.

Mr. Jayawardene and Mr. Bandaranaike made contributions to the country. They were also terribly human, often serving their clans and not the larger interest of a nonracial, democratic Sri Lanka.

The writer's first book of poems, "The Elephants of Reckoning," was published this month. This column was contributed to The New York Times.

LETTERS TO THE EDITOR

Health Care in France

Regarding "Focusing Like a Laser on Medical Costs" (Meanwhile, May 13) by Lawrence Malkin:

As an American living and working in France for the past six years, I have consistently had more access to doctors than I would have had in the United States, and at more reasonable fees. But I would like to add a few remarks.

While the French state establishes doctor's fees for office visits and house calls (yes, French doctors make house calls), doctors are free to charge more, as long as patients are clearly informed. In this case, however, the health insurance reimbursements are still based on the established fees. In other words, a doctor can charge more, at the risk of losing patients; and the patient can pay more if he or she feels it will result in better care, knowing that the difference will not be reimbursed. This is a good feature of the French system.

Dental care in France is inferior to that in the United States. There are few dental hygienists, teeth are not routinely cleaned by a professional, and tooth X-

rays are not routinely taken. The result: The French grow up with many undiscovered cavities.

Finally, even with the 6 percent payroll deduction for my French health insurance, a big contribution from my employer, and a "general social contribution" of 1.1 percent of my salary, the system is in the red; and the new French prime minister has proposed raising the 1.1 percent to 2.4 percent to eliminate the deficit.

FRED B. WEISLER, Palaiseau, France.

The German Difference

Regarding "German Teens Protest" (Letters, April 9):

There is no comparison between the thousands of neo-Nazi attacks against foreigners, resulting in 17 murders, and the Le Pen movement in France or the imitation-skis in Italy. The Le Pen people do not shout, "Vive Pétain," do not call for the return to the days of Vichy, and their program does not include territorial demands against neighboring countries. And nobody is afraid to go to France or to Italy, whereas many people are afraid to go to Germany.

JIM PRICE, Trieste, Italy.

Mastectomy Question

Regarding "Why Mastectomies Occur So Frequently" (American Topics, May 10):

Mastectomies do not occur, they are performed, following a surgeon's decision. The headline could have read, "Why Are Mastectomies Done So Often?"

BETTY L. RUBIN, Milan.

'Scab' Is in the Dictionary

Regarding "Will Jobs Bill Defeat Be Republicans' Last Hurrah?" (April 14):

The article mentions "the union-busting practice of hiring permanent replacements for striking workers." Why use such euphemisms? A perfectly appropriate English term exists for such individuals, and you will find it defined in Webster's Ninth New Collegiate Dictionary. That term is "scab." By not using "scab," the media adopt the prejudices of big business and, in the United States, the government.

MICHAEL D. EVANS, Yokohama, Japan.

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Page 12 MARKET DIARY

STOCKS: Ebbing Inflation Fears

(Continued from first finance page) successes in the currency markets have given his moves significance for investors, and the Newmont purchase helped push gold up about \$30 an ounce. It was sharply higher early on Wednesday, but then lost all of its gains and ended slightly lower.

The June gold contract on the Commodity Exchange fell \$1.80, to \$374.20, after having been up as much as \$7.00 in early trading. In the stock market, there also were reports that speculators were caught in what is called a short squeeze. These traders had borrowed shares and then sold them, betting that stock prices would fall and they could repurchase the securities at lower prices before returning them to the lenders.

N.Y. Stocks

AT&T was third, up 2% to 60%, despite getting mixed recommendations from brokerage houses. Microsoft jumped 4 to 92 1/2 in active over-the-counter trading after Lehman Brothers upgraded the stock. A judge gave it a favorable ruling in a patent-infringement case brought by Apple Computer. But Apple was higher as well, gaining 1 1/4 to 57 1/4. Hewlett-Packard, also named in the suit, surged 3 to 87 1/4 on the New York Stock Exchange, following a gain Tuesday after the close.

GOLD: Market to Remain Volatile

(Continued from page 1) for themselves — is to have reduced interest in gold as an alternative to financial markets that seem to be going nowhere, especially in the United States where concern has been mounting over the deficit-cutting program. "The stock market has topped out and no one knows where to go," said Betty Rapapoulos, senior metals analyst for Prudential Bache.

Foreign Exchange

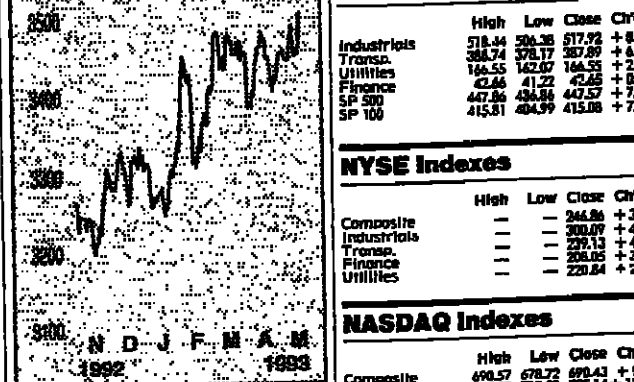
The bond market has taken flight over inflation and when Clinton will get his program through, and currencies in Europe, the United States and Japan have been unstable since last fall," said Betty Rapapoulos, senior metals analyst for Prudential Bache.

Dollar Turns Lower

The dollar ended lower Wednesday after a U.S. official apparently called for a stronger yen and then seemed to reverse that call. Knight-Ridder News Service said. The U.S. currency ended at 1.6311 Deutsche marks, down from 1.6347 DM late Tuesday, and at 110.60 yen, down from 111.47 yen. Commerce Secretary Ronald H. Brown said after news of a wider trade deficit that "corrections" in currency rates were needed to help reduce the U.S. trade gap with Japan but later said the exchange rate was not the "pre-eminent" factor.

The Dow

Daily closing of the Dow Jones Industrial average.



Dow Jones Averages

Table with columns: Open, High, Low, Last, Chg. Rows include Industrials, Transp., Utilities, Finance, and NYSE 100.

Standard & Poor's indexes

Table with columns: High, Low, Close, Chg. Rows include Industrials, Transp., Utilities, and NYSE 100.

NYSE Most Actives

Table with columns: Vol., High, Low, Last, Chg. Lists active stocks like Bell, AT&T, Microsoft, etc.

NYSE Diary

Table with columns: Advance, Decline, Unchanged, Total Issues, New Highs, New Lows.

Amex Diary

Table with columns: Advance, Decline, Unchanged, Total Issues, New Highs, New Lows.

NASDAQ Diary

Table with columns: Advance, Decline, Unchanged, Total Issues, New Highs, New Lows.

Market Sales

Table with columns: NYSE 4 a.m. volume, NYSE prev. close, Amex 4 a.m. volume, Amex prev. close, NASDAQ 4 a.m. volume, NASDAQ prev. close.

N.Y.S.E. Odd-Lot Trading

Table with columns: May 16, May 15, May 14, May 13, May 12, May 11, May 10, May 9, May 8, May 7, May 6, May 5, May 4, May 3, May 2, May 1.

Amex Most Actives

Table with columns: Vol., High, Low, Last, Chg. Lists active stocks on Amex.

NYSE Diary

Table with columns: Advance, Decline, Unchanged, Total Issues, New Highs, New Lows.

Amex Diary

Table with columns: Advance, Decline, Unchanged, Total Issues, New Highs, New Lows.

NASDAQ Diary

Table with columns: Advance, Decline, Unchanged, Total Issues, New Highs, New Lows.

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N.Y.S.E. Odd-Lot Trading

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NASDAQ Diary

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EUROPEAN FUTURES

COCOA (POK) Stereotype per metric ton of 100 lbs.

Table with columns: High, Low, Close, Change. Rows include COCOA (POK), COFFEE (POK), WHITE SUGAR (NO. 11), etc.

Metals

Table with columns: High, Low, Close, Change. Rows include ALUMINUM (NO. 1), COPPER (NO. 1), etc.

Financial

Table with columns: High, Low, Close, Change. Rows include 3-MONTH STERLING (LIFFE), 3-MONTH EURO DOLLARS (LIFFE), etc.

LONG OIL (LIFFE)

Table with columns: High, Low, Close, Change. Rows include LONG OIL (LIFFE), etc.

SOYBEANS (CBOT)

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SOYBEAN MEAL (CBOT)

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SOYBEAN OIL (CBOT)

Table with columns: High, Low, Close, Change. Rows include SOYBEAN OIL (CBOT), etc.

Livestock

Table with columns: High, Low, Close, Change. Rows include CATTLE (COM), etc.

FEEDER CATTLE (CME)

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MOGS (CME)

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US TREASURY BONDS (CBT)

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American to Ground More Aircraft

DALLAS (Combined Dispatches) — American Airlines will ground additional aircraft this year, a move that will trigger more layoffs at the largest U.S. airline, the chairman, Robert L. Crandall, said Wednesday.

American still is reviewing what types of aircraft might be retired from its fleet, although McDonnell Douglas DC-10s and Boeing 727s are the most likely candidates, Mr. Crandall said after the annual shareholder meeting of American's parent company, AMR Corp.

About 150 jobs are tied to each aircraft, on average, Mr. Crandall said. He would not speculate on how many layoffs would actually result. Mr. Crandall also said American had talked about forming partnerships with European airlines to increase its access to the Continent. He said American had spoken with Lufthansa, British Midland, Air France, SAS and KLM Royal Dutch Airlines. "You name it, we've talked to them," he said.

GTE to Sell Lines to Citizens Utilities

STAMFORD, Conn. (Combined Dispatches) — GTE Corp., the largest operator of local phone systems in the United States, said Wednesday its GTE Telephone Operations unit had agreed to sell 500,000 access lines in nine states to Citizens Utilities Co. for \$1.1 billion.

The agreement, expected to be completed in 1994, is subject to approval by the Federal Communications Commission, the Department of Justice and regulatory agencies in each state in which the properties are located. GTE will use the proceeds to pay some of its \$2.2 billion in short-term debt, said Bob Brand, a GTE spokesman. The company currently has a total of \$15.6 billion in debt. GTE expects to take a one-time gain when the sale is completed, Mr. Brand said.

Campbell Posts Record Earnings

CAMDEN, New Jersey (AP) — Campbell Soup Co. reported record third-quarter sales and earnings Wednesday, crediting the purchase of a controlling interest in Australia's largest cookie maker.

The sixth-largest U.S. food company posted profit of \$108.5 million, or 43 cents a share, an 18.6 percent increase for the period ended May 2. During the comparable 1992 period, Campbell had earnings of \$91.5 million, or 36 cents a share. Sales for the quarter rose 6.5 percent to a record \$1.63 billion, compared with \$1.53 billion.

The Campbell president, David W. Johnson, cited the recent acquisition of a majority stake in the Australian cookie and cracker maker, Arnotts, for the record performance. In early February, Campbell increased its stake in Arnotts to 58 percent from 33 percent. Campbell wants to use the Australian company as a springboard into Asia.

Imcera Plans to Close 11 Plants

NORTHBROOK, Ill. (UPI) — Imcera Group Inc. said Wednesday it would close 11 of its 27 Fitzmaurice animal-health-care unit's worldwide production facilities and eliminate more than 1,000 jobs in a restructuring of its subsidiary in Mundelein, Ill.

Imcera provides human and animal health-care products and specialty chemicals through its three international business units: Fitzmaurice; Mallinckrodt Medical of St. Louis; and Mallinckrodt Specialty Chemicals of Chesterfield, Missouri. The company had consolidated sales of more than \$1.7 billion last year.

For the Record

The Securities and Exchange Commission will ask Congress for authority to control securities firms' use of political contributions in the municipal bond market, SEC Commissioner Richard Roberts said.

A federal judge reduced the scope of a copyright suit brought by Apple Computer Inc. against Microsoft Corp. and Hewlett-Packard Co., a copy of the judge's ruling shows.

Ross Perot Jr. has purchased the Circle T Ranch from the bankrupt estate of Nelsonunker Hunt, the Dallas Morning News reported. Neither the purchase price nor terms were disclosed.

U.S. FUTURES

WHEAT (CBT) 1000 bushels per bushel

Table with columns: High, Low, Close, Change. Rows include WHEAT (CBT), WHEAT (KCBT), etc.

GRAINS

Table with columns: High, Low, Close, Change. Rows include CORN (CBT), SOYBEANS (CBT), etc.

Metals

Table with columns: High, Low, Close, Change. Rows include HI GRADE COPPER (COMEX), etc.

Livestock

Table with columns: High, Low, Close, Change. Rows include CATTLE (COM), etc.

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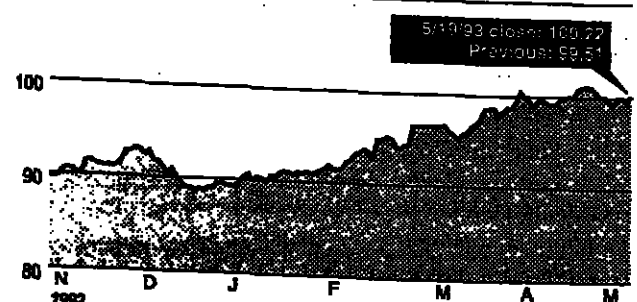
Large advertisement on the right side of the page, partially cut off, featuring the text 'Strike Un...' and 'ASDAQ'.





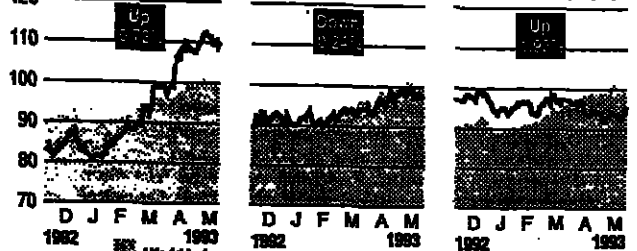
### THE TRIB INDEX 100.22

International Herald Tribune World Stock Index, composed of 230 internationally investable stocks from 20 countries, compiled by Bloomberg Business News, Jan. 1, 1992 = 100.



The index tracks U.S. dollar values of stocks in Tokyo, New York, London, and Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Italy, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden and Switzerland. In the case of Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization. In the remaining 17 countries, the ten top stocks are tracked.

Asia/Pacific	Europe	N. America
Close: 108.86 Prev.: 108.07	Close: 97.07 Prev.: 97.30	Close: 85.05 Prev.: 82.75



Industrial Sectors	Vol. change	Price change	% change	Vol. change	Price change	% change	
Energy	101.12	101.07	-0.05	Capital Goods	99.32	98.71	-0.62
Utilities	102.15	102.23	+0.07	Raw Materials	100.91	100.47	-0.44
Finance	101.25	100.59	-0.66	Consumer Goods	89.09	88.56	-0.60
Services	111.79	109.73	-1.88	Miscellaneous	102.43	102.59	+0.16

For readers wanting more information about the International Herald Tribune World Stock Index, a booklet is available free of charge by writing to Trib Index, 161 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France.

### INTERNATIONAL MANAGER

### For Firms in Hong Kong, It Now Pays to Act Local

**By Martin Hubbell**  
Bloomberg Business Week  
HONG KONG — With just four years left until Hong Kong reverts to China, Western expatriate executives enjoying perks denied their Chinese colleagues are nearing extinction. Headhunters say the gap between the compensation packages received by expatriates and executives hired locally is rapidly closing and, in an increasing number of cases, it is the ethnic Chinese businessman who is commanding top dollar.

"The time may have come when the Western expatriate in Hong Kong is dying to get equality with his Chinese counterpart," said Ranjan Marwah, president of Executive Access. "You can get more money for a Francis Leung or a Francis Yuen than you can for their expatriate equivalent," he added.

Mr. Leung is managing director of Peregrine Investment Holdings, an increasingly powerful force in Hong Kong's securities industry. Shanghai-born, U.S.-educated Mr. Yuen is a former chief executive of the Hong Kong Stock Exchange and now managing director of the investment concern Seapower International.

The booming Chinese economy and the furious race by foreign companies based in Hong Kong and abroad to cash in on that boom has much to do with the preference for local talent. "There are more and more people looking for talent that has cross-border skills," said Alan Choi, a partner at Korn Ferry International (HK) Ltd. The ascendancy of China's Guangdong Province over Hong Kong in importance as a market is the driving force, he said.

A premium is now being paid for fluent Chinese language skills. And China's official tongue, Mandarin, is gaining ground on Hong Kong's Cantonese.

"My advice to all the young guys I see is learn to speak Mandarin," said Guy Roberts, managing director at Search Pacific Management Consultants. "I think anyone who plans to stay here for the next five to seven years should be aiming to speak Mandarin."

The importance of Chinese language skills reflects the changes in the Hong Kong power structure. As mainland Chinese businessmen seize control of a fast-growing list of Hong Kong businesses and buy minority interests in many others, the British colonial "old boy" network is gradually losing its influence.

People who understand the rules and style of doing business in China and have built connections with mainland businessmen are

See MANAGE, Page 15

## Upstart Start-Ups Take Wing

### 15 New U.S. Carriers Fly the Friendly Clinton Skies

**By Agis Salpukas**  
New York Times Service  
NEW YORK — With a boost from President Bill Clinton, a crop of 15 new airlines has started flying in the United States, following a decade in which carriers failed far more often than they were replaced. Conditions are fertile for the upstarts, as they are known in the industry, largely because of the demise of such carriers as Pan American World Airways, Eastern Air Lines and Midway Airlines, and cutbacks by the leading survivors, including American Airlines, Delta Air Lines and United Airlines. Unemployed pilots, mechanics and flight attendants are eager to get back to work, even at a fraction of their former pay. Flights sitting idle in the Arizona desert can be leased cheaply, hubs and routes are available and passengers are eager to buy low-priced tickets.

American and Delta, for example, have 400 to 500 aircraft apiece. In contrast, among the largest of the upstarts, Kiwi International Airlines flies six Boeing 727s to Atlanta, Chicago and Orlando, Florida from Newark, New Jersey; Reno Air has 10 McDonnell Douglas MD-80 planes, which it operates from Reno to San Diego, Los Angeles, San Francisco, Portland and Seattle. New carriers had received almost no pro-

"so too will we do whatever we can to make sure fledgling carriers have a fair shot." Kiwi executives and Transportation Department officials said the government had begun an investigation to see if Kiwi's rival, Continental Airlines, had set fares below the levels at which it could make money to drive Kiwi out of Newark and other airports. Mr. Peña also warned Northwest Airlines not to try to knock out Reno Air's entry into Minneapolis, its major hub, by putting in jumbo aircraft. But Reno announced this week it would abandon Minneapolis and Kansas City service for lack of traffic.

**'We will do whatever we can to make sure fledgling carriers have a fair shot.'**  
Transportation Secretary Federico F. Peña

The new carriers have already forced down fares in selected markets by setting low rates that the major airlines feel compelled to match, even though they generally make available only a small and controlled number of seats at the low prices and impose restrictions on the unprofitable tickets.

The big rise in imports was led by a 21.8 percent jump in crude oil and other energy products, which climbed by \$795 million, news agencies reported.

## Money-Supply Surge Stays Bundesbank

**Compiled by Our Staff From Dispatches**  
FRANKFURT — The Bundesbank left key interest rates unchanged Wednesday despite the deepening German recession, showing its concern about the inflationary impact of heavy state borrowing to finance unification.

Sachs. The textbook response would have been to raise them, he said, but neither he nor other economists seemed to think that was likely to happen.

rise in business failures in February, compared with last year, as one major reason they had still considered a rate cut possible.

## Japanese Raider Gets Suspended Sentence

**By James Sterngold**  
New York Times Service  
TOKYO — Mitsuhiko Kotani, a corporate raider whose shadowy stock-market activities in the 1980s topped major politicians, bankers and businessmen in a web of illicit activities, was handed a light suspended sentence Wednesday after being convicted of a multimillion-dollar stock-manipulation scheme.

sought to sound a tough note when he handed down what was regarded as a modest sentence. "Please control yourself," he said. "You were a spoiled child of the era."

## Danes Plan for 'Better Times'

**Compiled by Our Staff From Dispatches**  
COPENHAGEN — Denmark on Wednesday swiftly exploited a referendum vote in favor of the Maastricht treaty that ended a year of economic uncertainty, cutting interest rates, announcing tax breaks and outlining a new growth package.

## U.S. Trade Gap Soars as Imports Reach a Record

**By Keith Bradsher**  
New York Times Service  
WASHINGTON — The U.S. merchandise-trade deficit ballooned in March to \$10.21 billion, the widest gap in nearly four years, as imports from Japan and China grew sharply while exports increased slowly, the Commerce Department announced Wednesday.

Washington of Prime Minister Kiichi Miyazawa and too early for the economic summit in Japan. Administration officials say they had secretly hoped for a large deficit in February, which was announced the day that Mr. Miyazawa arrived, so as to put pressure on Tokyo for trade concessions. But they were disappointed when the deficit was virtually unchanged from January.

## Stocks Hit Record as Inflation Fears Ebb

**Compiled by Our Staff From Dispatches**  
NEW YORK — U.S. stocks soared to a record close on Wednesday, as a rise in bonds and a fall in gold calmed inflation fears, at least temporarily. The Dow Jones industrial average moved above 3,500 for the first time, ending at 3,500.03, up 55.64 points. Rising issues on the New York Stock Exchange outnumbered decliners by a 3-to-2 ratio.

### CURRENCY & INTEREST RATES

Cross Rates	May 19
Australian	1.52 2865 1.034 1.032
British	1.67 2482 0.600 0.598
Canadian	1.46 1425 0.682 0.680
Japanese	110.12 100.59 1.100 1.100
French	1.52 1925 0.656 0.654
German	1.45 1670 0.689 0.687
Italian	1.36 1445 0.735 0.733
Spanish	1.66 1660 0.603 0.601
Swedish	1.46 1425 0.682 0.680
Swiss	1.48 1590 0.676 0.674
Dollar Index	100.00 100.00 100.00 100.00

### Eurocurrency Deposits

Period	Dollar	D-Mark	Swiss Franc	French Franc	Yen	ECU
1-month	3 1/4	7 1/4	5 1/2	7 1/4	3 1/4	7 1/4
3-month	3 1/4	7 1/4	5 1/2	7 1/4	3 1/4	7 1/4
6-month	3 1/4	7 1/4	5 1/2	7 1/4	3 1/4	7 1/4
1-year	3 1/4	7 1/4	5 1/2	7 1/4	3 1/4	7 1/4

### Key Money Rates

Country	Rate
United States	5.00
Discount rate	5.00
Prime rate	6.00
Federal funds	5.75
90-day T-bill	5.75
3-month T-bill	5.75
6-month T-bill	5.75
1-year T-bill	5.75
2-year T-bill	5.75
3-year T-bill	5.75
5-year T-bill	5.75
10-year T-bill	5.75
30-year T-bill	5.75

### Our 204th business year

Key data (in DM million)	1992	1991
Business Volume	4,200	7,800
Total Assets	7,967	6,801
Deposits	5,697	5,251
Bills and Advances	5,688	5,535
Equity	1,035	1,020

The Partners  
Cologne/Frankfurt/Munich, May 1993



MARKET DIARY

STOCKS: Ebbing Inflation Fears

(Continued from first finance page) successes in the currency markets have given his moves significance for investors, and the Newmont purchase helped push gold up about \$30 an ounce. It was sharply higher early on Wednesday, but then lost all of its gains and ended slightly lower.

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In the stock market, there also were reports that speculators were caught in what is called a short squeeze. These traders had borrowed shares and then sold them, betting that stock prices would fall and they could repurchase the securities at a lower price.

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Echo Bay Mines led the American Stock Exchange active, falling 1 1/4 to 10 1/4 as gold miners cooled off with the metal's drop. (UPI, Reuters, Bloomberg, Knight-Ridder)

The stock market has topped a pit and no one knows where to go. The stock market has topped a pit and no one knows where to go.

GOLD: Market to Remain Volatile

(Continued from page 1) of themselves — is to have refused interest on gold as an alternative to financial markets that seem to be going nowhere, especially in the United States where concern has been mounting over the date of President Bill Clinton's deficit-cutting program.

The stock market has topped a pit and no one knows where to go. The stock market has topped a pit and no one knows where to go.

Stewart Murray, chief executive of Gold Fields Mineral Services Ltd. in London, stressed that the latest push did not come from the gold market itself, even though his own annual report had helped intensify the rally last week by pinpointing large demand from China.

"No, it's not the Chinese," he said. "It's mostly from your side of the pond — options, producers covering, American money managers coming into gold, and all that activity."

In New York, most of the force behind the price rise seems to have come from disenchanted pension and mutual fund managers, some of whom also are said to have taken profits Wednesday.

"They are not putting in much, only a very small part of their portfolios, but gold is a very narrow market and that's enough to move it," Ms. Rappaport said.

The most important prop under the market, Mr. Murray said, was a continuing demand for gold by many small mining companies, which sold their production to banks in advance for several years before they actually dug up the gold.

The other important but more imponderable factor is the attitude of central banks. Gold Fields Mineral Services reported that last year central banks — especially Belgium and Holland — sold almost 600 metric tons, the largest from official sources in years.

Dollar Turns Lower The dollar ended lower Wednesday after a U.S. official apparently called for a stronger yen and then seemed to reverse that call, Knight-Ridder News Service said.

The U.S. currency ended at 1.6231 Deutsche marks, down at 1.6247 DM late Tuesday, and at 110.60 yen, down from 111.47 yen.

Commerce Secretary Ronald H. Brown said after news of a wider trade deficit that "corrections" in currency rates were needed to help reduce the U.S. trade gap with Japan but later said the exchange rate was not the "pre-eminent" factor.

The Dow

Table with columns: Open, High, Low, Last, Chg. for Dow Jones Averages.

Table with columns: High, Low, Close, Chg. for Standard & Poor's Indexes.

Table with columns: High, Low, Close, Chg. for NYSE Indexes.

Table with columns: High, Low, Close, Chg. for NASDAQ Indexes.

Table with columns: High, Low, Close, Chg. for AMEX Stock Index.

Table with columns: High, Low, Close, Chg. for Dow Jones Bond Averages.

Table with columns: High, Low, Close, Chg. for Market Sales.

Table with columns: High, Low, Close, Chg. for N.Y.S.E. Odd-Lot Trading.

Table with columns: High, Low, Close, Chg. for NYSE Most Active.

Table with columns: High, Low, Close, Chg. for NYSE Diary.

Table with columns: High, Low, Close, Chg. for Amex Diary.

Table with columns: High, Low, Close, Chg. for NASDAQ Diary.

Table with columns: High, Low, Close, Chg. for NYSE Most Active.

Table with columns: High, Low, Close, Chg. for NYSE Diary.

Table with columns: High, Low, Close, Chg. for Amex Diary.

Table with columns: High, Low, Close, Chg. for NASDAQ Diary.

Table with columns: High, Low, Close, Chg. for NYSE Most Active.

EUROPEAN FUTURES

Table with columns: Class, High, Low, Prev. Close, Chg. for COCA (FOOD).

Table with columns: High, Low, Close, Chg. for COFFEE (FOOD).

Table with columns: High, Low, Close, Chg. for METALS.

Table with columns: High, Low, Close, Chg. for FINANCIAL.

Table with columns: High, Low, Close, Chg. for LONG GILT (LIFFE).

Table with columns: High, Low, Close, Chg. for SHORT GILT (LIFFE).

Table with columns: High, Low, Close, Chg. for SHORT EURO (LIFFE).

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Table with columns: High, Low, Close, Chg. for SHORT EURO (LIFFE).

Table with columns: High, Low, Close, Chg. for SHORT EURO (LIFFE).

American to Ground More Aircraft

(DALLAS—Combined Dispatches) — American Airlines will ground additional aircraft this year, a move that will trigger more layoffs at the largest U.S. airline, the chairman, Robert L. Crandall, said Wednesday.

American still is reviewing what types of aircraft might be retired from its fleet, although McDonnell Douglas DC-10s and Boeing 727s are the most likely candidates, Mr. Crandall said after the annual shareholder meeting of American's parent company, AMR Corp.

About 150 jobs are tied to each aircraft, on average, Mr. Crandall said. He would not speculate on how many layoffs the airline would actually result.

Ms. Crandall also said American had talked about forming partnerships with European airlines to increase its access to the Continent. He said American had spoken with Lufthansa, British Midland, Air France, SAS and KLM Royal Dutch Airlines. "You name it, we've talked to them," he said. (Bloomberg, AP)

GTE to Sell Lines to Citizens Utilities

(STAMFORD, Conn.—Combined Dispatches) — GTE Corp., the largest operator of local phone systems in the United States, said Wednesday its GTE Telephone Operations unit had agreed to sell 500,000 access lines in nine states to Citizens Utilities Co. for \$1.1 billion.

The agreement, expected to be completed in 1994, is subject to approval by the Federal Communications Commission, the Department of Justice and regulatory agencies in each state in which the properties are located. GTE will use the proceeds to pay some of its \$2.2 billion in short-term debt, said Bob Brand, a GTE spokesman. The company currently has a total of \$15.6 billion in debt. GTE expects to take a one-time gain when the sale is completed, Mr. Brand said. (AP, Bloomberg)

Campbell Posts Record Earnings

(CAMDEN, N.J.—AP) — Campbell Soup Co. reported record third-quarter sales and earnings Wednesday, crediting the purchase of a controlling interest in Australia's largest cookie maker.

The six-largest U.S. food company posted profits of \$108.5 million, or 43 cents a share, an 18.6 percent increase for the period ended May 2. During the comparable 1992 period, Campbell had earnings of \$91.5 million, or 36 cents a share. Sales for the quarter rose 6.5 percent to a record \$1.63 billion, compared with \$1.53 billion.

The Campbell president, David W. Johnson, cited the recent acquisition of a majority stake in the Australian cookie and cracker maker, Arnotts, for the record performance. In early February, Campbell increased its stake in Arnotts to 58 percent from 33 percent. Campbell wants to use the Australian company as a springboard into Asia.

Imcera Plans to Close 11 Plants

(NORTHBROOK, Ill.—UPI) — Imcera Group Inc. said Wednesday it would close 11 of its 27 Fimmo-Moore animal-health-care unit's worldwide production facilities and eliminate more than 1,000 jobs in a restructuring of its subsidiary in Mundelein, Illinois.

Imcera provides human and animal health-care products and specialty chemicals through its three international business units: Fimmo-Moore; Mallinckrodt Medical of St. Louis; and Mallinckrodt Specialty Chemicals of Chesterfield, Missouri. The company had consolidated sales of more than \$1.7 billion last year.

Plants targeted for closure include facilities in the United States, South America, Britain and the Pacific Rim.

For the Record

The Securities and Exchange Commission will ask Congress for authority to control securities firms' use of political contributions in the municipal bond market, SEC Commissioner Richard Rost said. (Bloomberg)

A federal judge reduced the scope of a copyright suit brought by Apple Computer Inc. against Microsoft Corp. and Hewlett-Packard Co., a copy of the judge's ruling shows. (Reuters)

Ross Perot Jr. has purchased the Circle T Ranch from the bankrupt estate of Nelson Bunker Hunt, the Dallas Morning News reported. Neither the purchase price nor terms were disclosed. (Bloomberg)

Usinor Sets Cost of Saarstahl

(PARIS—Compiled by Our Staff From Dispatches) Usinor's financial director, Robert Hudry, said Wednesday that the bankruptcy of Saarstahl-Voelklingen would cost the French concern 1.6 billion francs (\$292.2 million).

Mr. Hudry said at a news conference, "we couldn't go on filling the holes," in explaining why Saarstahl had filed an insolvency petition with a German court Tuesday. Saarstahl is owned by DEB Dillingen-Hütte Saarstahl, which is 70 percent owned by Usinor Sarcil.

"Unfortunately, we do not see any improvement before we are well into 1994," he said. "The needs will accumulate to reach amounts beyond our means." (AFX, Reuters)

WORLD STOCK MARKETS

Table with columns: Market, High, Low, Close, Chg. for various international stock markets including Amsterdam, Brussels, Frankfurt, London, Milan, Paris, Singapore, Stockholm, Toronto, Zurich, and others.

U.S. FUTURES

Table with columns: Market, High, Low, Close, Chg. for U.S. futures including Grains, Metals, Lumber, Livestock, and others.

U.S. / AT THE CLOSE

Table with columns: Market, High, Low, Close, Chg. for U.S. market indices and commodity prices including S&P 500, Dow Jones, and various commodities.

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# Strike Underscores Germany's East-West Divide

By Tyler Marshall  
Los Angeles Times Service

**HENNIGSDORF, Germany**—Reluctance among local officials of the East German metalworkers union to accept a compromise wage settlement worked out by their national leadership reflects the depth and severity of new social tensions that have become part of reunified Germany.

In part, the delay that has followed last week's announcement of an agreement is understandable. After all, more than 60 years and two dictatorships have passed since the last official strike in the region.

But in its own way, the local resistance to embrace what most independent observers have assessed as a clear union victory underscores a hard reality in the new Germany: The strains of unification remain a powerful force.

After days of often bitter internal debate, local union leaders in the last of five East German states reluctantly agreed this week to submit the accord for vote ratification by rank-and-file members. Since only 25 percent approval is required to ratify, the ballot was largely a formality.

However, local union officials in the steel sector have rejected the compromise formula entirely and are

unlikely to meet employers' representatives for further talks before the weekend.

Such internal differences within the trade-union movement are highly unusual in Western Germany.

In Western Germany, "the union rank and file has almost always been loyal and showed solidarity with its leadership," noted Marks Scheuer, a labor-relations specialist at the Rhine-Westphalia Institute for Economic Research in Essen. "The Eastern worker thinks differently."

In part, the problem in the current strike has been one of suspicion—suspicion on the part of local union officials in the East about the way the Western-dominated leadership of the giant IG Metall metalworkers union pressed its attack, then called for a cease-fire when it appeared to have the employers in full retreat.

"It's hard for us to understand them; it's hard for them to understand us," said Hans Schwarz, a strike leader at Eastern Germany's most modern steelworks on the outskirts of this town 20 miles (32 kilometers) northwest of Berlin. "Growing together is going to take a long time."

But just like other East and West Germans, the union's Western leadership and its East German members are also separated by vastly differing experience.

"Western workers have grown up with the understanding that profits have to be earned before they can be distributed, but in the East, they can't get beyond the social-justice issue," Mr. Scheuer said.

Idle steelworkers outside the Hennigsdorf plant, for example, complained bitterly that unity meant they now pay the same for rent and food as Western Germans, work just as hard but earn only 60 percent as much. "That's not unification, that's exploitation," one striker declared.

For anyone who has listened to such comments and tested the mood along the picket lines during the past two weeks, it is also clear the stakes in the present dispute involve more than just a new wage contract. They also include a test of the country's much-envied shop-floor consensus—a consensus that once served as a cornerstone of West Germany's famed "economic miracle" and later guarantor of the country's enormous material success.

**More Strikers Return to Work**

The first legal strike in Eastern Germany in more than six decades appeared to be nearing an end Wednesday as 21,000 metalworkers in the southern state of Saxony moved from the picket line back to the assembly line, Reuters reported from Berlin.

Strikers in the Baltic coast state of Mecklenburg-Western Pomerania also voted to end the strike and 15,000 idled workers there will return to the job on Thursday.

Two other Eastern regions cast ballots on Wednesday and were expected to accept compromise deals signed by IG Metall union leaders and engineering employers. Only the small Eastern steel sector has not yet reached an agreement.

Meanwhile, IG Metall's chairman, Franz Steinkühler, came under intensifying pressure to quit over allegations of insider trading. Voices from the union-friendly Social Democratic Party urged Mr. Steinkühler to either clear up the allegations or step down, joining earlier calls from other parties and union members for the beleaguered union chief to quit.

Mr. Steinkühler has denied he traded on inside information when he bought shares in Mercedes AG Holding just before Daimler-Benz announced a share-swap deal with Mercedes last month that lifted its price by nearly 20 percent in one day.

The deal left the union boss—known for his fancy suits, fast cars and fiery oratory—with a profit of 100,000 Deutsche marks (\$62,000). Mr. Steinkühler is a member of the Daimler-Benz AG supervisory board.

Investor's Europe	
Country	Index
Frankfurt DAX	1,818.40
London FTSE 100	3,214.20
Paris CAC 40	3,478.00
Amsterdam AEX	1,512.00
Brussels Euronext 100	1,512.00
Stockholm OMX	1,512.00
Copenhagen OMX	1,512.00
Helsinki HEI	1,512.00
Warsaw WIG	1,512.00
Zurich SMI	1,512.00
Vienna WSE	1,512.00
Prague PX	1,512.00
Budapest ISE	1,512.00
Sofia SOBX	1,512.00
Belgrade BEI	1,512.00
Bratislava BRAX	1,512.00
Ljubljana LJS	1,512.00
Sarajevo SBI	1,512.00
Belgrade BEI	1,512.00
Bratislava BRAX	1,512.00
Ljubljana LJS	1,512.00
Sarajevo SBI	1,512.00

## Many Roadblocks to One EC Currency

Tough Economic Criteria Are Hard to Meet in a Recession

**BRUSSELS**—The Danish vote in favor of the Treaty on European Union cleared one obstacle to the plans for a single currency for the European Community, but recessionary pressures are expected to impede progress, observers said Wednesday.

Rising unemployment and shrinking economies in most EC countries will make it hard for the members to meet the convergence criteria laid out in the treaty signed in Maastricht, the Netherlands. These rules are intended to raise the economic standards of the EC countries close to the levels of the best performers in such areas as inflation and budget deficits.

Although the Danish vote on Tuesday rescinded the country's rejection last June of the Maastricht treaty, the original vote against the accord is still creating problems.

The first vote plucked the Community into a crisis that peaked in September, forcing Britain and Italy out of the European Monetary System's exchange-rate mechanism. Its reverberations were felt again recently, when

Ireland, Spain and Portugal devalued their currencies under pressure from speculators.

The devaluations caused a political schism in the Community, threw the single-currency timetable into doubt and raised questions on the future of the 12-nation bloc. Denmark negotiated an opt-out from the single-currency track among concessions it won in December.

Many politicians, including Foreign Minister Willy Claes of Belgium, whose country takes over the EC presidency in July, are questioning the criteria for creation of a single currency in light of current economic problems in the Community.

EC Commission officials are revising 1993 economic forecasts to show no change at best, and a 0.5 percent recession at worst. In January, they predicted growth of 0.8 percent.

Unemployment in the Community, more than 17 million and predicted to rise in 1994, is another worry. With welfare payments growing and tax revenues falling, there is added pressure on government budgets.

"I really believe that if recession is still

there in 1993 and 1994, and if all member states face serious budget deficits, we have to discuss convergence criteria," Mr. Claes said.

By far the toughest Maastricht stipulation is that budget deficits must not be more than 3 percent of gross domestic product. Government debt must also be no more than 60 percent of GDP, or a country must at least be making steady progress toward that goal.

Currently, only Denmark, Ireland and Luxembourg have government deficits below 3 percent of GDP.

Observers pointed out some interpretation is built into the Maastricht treaty. But a change in convergence targets would require renegotiation of the treaty. This would meet resistance from Germany and the Netherlands.

EC finance ministers are to gather in Denmark this weekend to discuss changes to the ERM in a debate that will pit the devalued currencies against the hard-core ones. Despite German and Dutch resistance, the issue of relaxing convergence criteria will remain a hot topic.

## U.K. Sales Dampen Hopes for a Boom

**LONDON**—British retail sales sagged in April for the first time since December 1992, official figures showed Wednesday, tempering forecasts for an economic boom this year.

The unexpected 0.3 percent decline in sales, on the heels of a 0.3 percent drop in March manufacturing output announced Tuesday, is stirring talk that the Conservative government may trigger a cut in bank base-lending rates from the current 6 percent if the fledgling recovery shows signs of faltering.

"Once politicians panic they have little choice but to turn to monetary policy," said Ian Blane, economist for Britain at Nikko Europe. "We're seeing the first signs that growth is going to moderate into the summer."

Nikko expects base rates to be shaved to 5 percent by June in two separate moves, Mr. Blane said.

April retail sales were up 2.4 percent from a year earlier, despite the month-to-month decline, the Central Statistical Office said. Revised figures for March showed retail sales rose 0.2 percent, down from the 0.5 percent increase originally reported, and climbed 4.0 percent from a year earlier, compared with a previously reported 4.1 percent gain.

Analysts had not expected the April decline. The average forecast of economists polled by MMS International was for retail sales to be

- Very briefly:**
- International Business Machines Corp.'s Personal Systems Business Unit for Europe, the Middle East and Africa said it had record sales volume in the first quarter of 1993.
  - Sanchi & Sanchi PLC, the British advertising agency, launched a £73 million (\$112 million) rights issue to cut its debt, the company said. It offered shareholders 10 new shares for every 27 shares held at 130 pence per new share.
  - French industrial output, excluding building and public works, fell by 0.9 percent in March from February, official figures showed.
  - Scandinavian Airlines Systems signed an agreement with the British hospital and catering operation Compass Group for the sale of part of the SAS Service Partner Group, SAS said.
  - Volkswagen AG signed an agreement with the Polish government to assemble utility vehicles in the FSR-Antoninek factories near Poznan, western Poland, an Industry Ministry spokeswoman said.
  - UNI Storebrand, Norway's biggest insurance company, reported a first-quarter profit of 150 million kroner (\$22 million), compared with a loss of 151 million kroner in the same period last year.

## Deutsche Bank Lifts Net 20%

**FRANKFURT**—Deutsche Bank AG said Wednesday its group operating profit in the first four months of 1993 had risen 20 percent on a pro-rata basis.

For 1992, Deutsche Bank reported group operating profit up 7 percent to 6.39 billion Deutsche marks (\$3.9 billion). Therefore, the 1992 pro-rata for the first four months would be 2.13 billion DM, and a 20 percent increase would put four-month 1993 operating profit at 2.56 billion DM.

German banks traditionally do not compare interim figures with the same period of the previous year, but with a pro-rata of full year-ago figures—in this case, with four-twelfths of 1992.

Operating profit in the first four months was boosted above all by a 32 percent increase in net earnings from the bank's trading on its own account.

Net interest income rose 6 percent, and net fee income rose 13 percent on the pro-rata of 1992.

## Russia Calls Its First Treasury-Bill Sale a Success

**MOSCOW**—Russia's central bank said Wednesday that commercial banks had bought less than \$1 million worth of treasury bills at a pioneering auction, but it still called the sale of the bills a financial breakthrough for Moscow.

The bank said commercial banks had bought Russian three-month bills with a nominal value of \$85.4 million rubles (\$947,965) at the first auction of such securities Tuesday.

The tax-free paper, modeled on U.S. Treasury bills, will not dent Russia's debt but could reduce the central bank's inflationary printing

of cash to fund its internal debt. Despite the small amount of bills sold, bank and Finance Ministry officials said the auction would provide a benchmark for interest rates and help to finance the budget deficit.

The bills auctioned Tuesday were sold at a discount to their face value, with the interest being the difference between the price paid and their value at redemption in three months.

The bank said the yield on a three-month bond purchased at the minimum price of 83.2 percent of face value would be equivalent to 115.7 percent on an annual basis.

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The bank said the yield on a three-month bond purchased at the minimum price of 83.2 percent of face value would be equivalent to 115.7 percent on an annual basis.

NASDAQ									
Wednesday's Prices									
NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP. Consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.									
12 Month High	Low	Stock	Div	Yield	PE	52 Wk High	52 Wk Low	Change	Volume
120	110	IBM	6.00	5.45	15.5	120	110	+10	1000000
100	90	Microsoft	0.00	0.00	15.0	100	90	+10	500000
80	70	Intel	0.00	0.00	15.0	80	70	+10	500000
60	50	Oracle	0.00	0.00	15.0	60	50	+10	500000
40	30	Sun	0.00	0.00	15.0	40	30	+10	500000
20	10	VeriFone	0.00	0.00	15.0	20	10	+10	500000
10	5	WorldCom	0.00	0.00	15.0	10	5	+5	500000
5	2	Qwest	0.00	0.00	15.0	5	2	+3	500000
1	0.5	Level 3	0.00	0.00	15.0	1	0.5	+0.5	500000



# NYSE

## Wednesday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect into trades elsewhere. Via The Associated Press

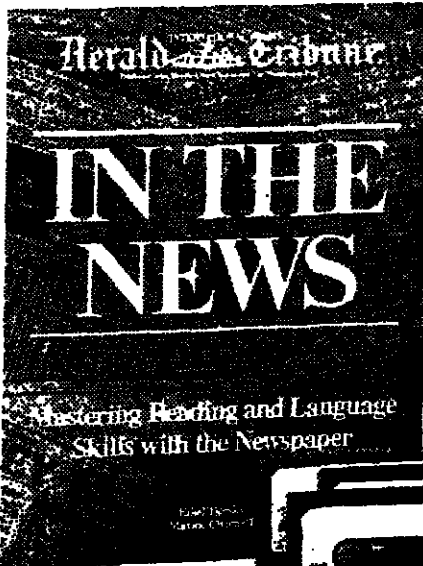
12 Month High	12 Month Low	Symbol	Yield	PE	P/E	High	Low	Close
120.00	110.00	IBM	5.50	14.5	10.5	120.00	115.00	118.00
100.00	90.00	GE	5.50	14.5	10.5	100.00	95.00	98.00
50.00	45.00	MSFT	5.50	14.5	10.5	50.00	48.00	49.00
15.00	14.00	DIS	5.50	14.5	10.5	15.00	14.50	14.80
30.00	28.00	BA	5.50	14.5	10.5	30.00	29.00	29.50
10.00	9.00	GO	5.50	14.5	10.5	10.00	9.50	9.80

12 Month High	12 Month Low	Symbol	Yield	PE	P/E	High	Low	Close
120.00	110.00	IBM	5.50	14.5	10.5	120.00	115.00	118.00
100.00	90.00	GE	5.50	14.5	10.5	100.00	95.00	98.00
50.00	45.00	MSFT	5.50	14.5	10.5	50.00	48.00	49.00
15.00	14.00	DIS	5.50	14.5	10.5	15.00	14.50	14.80
30.00	28.00	BA	5.50	14.5	10.5	30.00	29.00	29.50
10.00	9.00	GO	5.50	14.5	10.5	10.00	9.50	9.80

12 Month High	12 Month Low	Symbol	Yield	PE	P/E	High	Low	Close
120.00	110.00	IBM	5.50	14.5	10.5	120.00	115.00	118.00
100.00	90.00	GE	5.50	14.5	10.5	100.00	95.00	98.00
50.00	45.00	MSFT	5.50	14.5	10.5	50.00	48.00	49.00
15.00	14.00	DIS	5.50	14.5	10.5	15.00	14.50	14.80
30.00	28.00	BA	5.50	14.5	10.5	30.00	29.00	29.50
10.00	9.00	GO	5.50	14.5	10.5	10.00	9.50	9.80

12 Month High	12 Month Low	Symbol	Yield	PE	P/E	High	Low	Close
120.00	110.00	IBM	5.50	14.5	10.5	120.00	115.00	118.00
100.00	90.00	GE	5.50	14.5	10.5	100.00	95.00	98.00
50.00	45.00	MSFT	5.50	14.5	10.5	50.00	48.00	49.00
15.00	14.00	DIS	5.50	14.5	10.5	15.00	14.50	14.80
30.00	28.00	BA	5.50	14.5	10.5	30.00	29.00	29.50
10.00	9.00	GO	5.50	14.5	10.5	10.00	9.50	9.80

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(Continued on next page)

July 1993



ASIA / PACIFIC

Japan, Land of Sinking Hopes In Asian Consumer-Confidence Poll, It Finishes Last

By Michael Richardson International Herald Tribune

SINGAPORE — While Japanese are deeply pessimistic about their living standards in the near term, a large majority of people in six other East Asian economies believe that their conditions will improve, a consumer confidence survey shows.

The survey, the first of its kind in Asia, was carried out by MasterCard International and is for publication Thursday.

The poll, conducted in March and April by Price Waterhouse Management Consultants, surveyed about 400 consumers in each of eight countries: Australia, Hong Kong, Indonesia, Japan, South Korea, Malaysia, Singapore and Taiwan. MasterCard said it had a margin of error of plus or minus 5 percentage points.

People were asked about their expectations over the next six months in five areas: employment opportunities, the national economy, personal income, the stock market and quality of life.

Their responses were rated on a scale on which 100 was the highest score and 50 indicated no change was expected.

Indonesia topped the index with a consum-

er-confidence mark of 80.3, followed by two other strongly growing Southeast Asian economies, Singapore (79.7) and Malaysia (77.6).

The newly industrialized economies of Hong Kong (75.9), Taiwan (71.5) and South Korea (64.3) were in the middle of the range, with the two biggest mature industrial economies — Australia (60.1) and Japan (18.2) — at the bottom.

In contrast to the buoyancy in much of the

rest of the region, only 1 percent of Japanese thought that their employment situation would get better. 5 percent felt their quality of life would improve, and fewer than 10 percent expected their incomes to rise.

"The Japanese are going through a major adjustment right now," said Bruce Convisar, head of market research for MasterCard in the Asia-Pacific region. "They grew up with the notion of lifetime employment, but all of a sudden someone has changed the rules, and people are nervous."

In Hong Kong, Mr. Convisar pointed out, consumer confidence was high in all categories except employment, despite China's vehement opposition to proposals by the British governor of the colony, Chris Patten, to broaden democracy before Hong Kong is returned to Chinese rule in 1997.

"What we're seeing is a split personality" in Hong Kong, Mr. Convisar said. "People are concerned about politics, but politics doesn't seem to be impacting everyday life and business."

MasterCard plans to continue to survey consumer confidence in the eight Asia-Pacific countries every six months, for publication in May and November.

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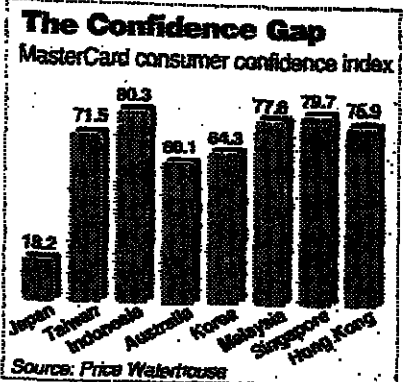
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China Consortium Buying Majority of Kader Investment

Bloomberg Business News

HONG KONG — A consortium led by China-controlled companies said Wednesday it was buying a 74 percent stake in the Hong Kong property company Kader Investment.

The group will acquire 38 percent of the shares from the Hong Kong toy company Kader Holdings and 36 percent from its chairman, Dennis Ting, the vice chairman, Kenneth Ting, and their associates, at 7.02 dollars per share.

Kader Holdings owned 40 percent of the Thai toy factory that burnt to the ground last week, causing the death of more than 200 people. Analysts say the sale of Kader Investment is not thought to be related to the impact of the fire on the group.

The consortium is led by Essental Assets, a company jointly owned by Shougang Holding (Hong Kong) — which is a subsidiary of China's state-owned steel-making giant Shougang Corp. — and by Kotech Investment, which is owned by state-owned companies under China's Construction Ministry.

It also includes Botany Ltd., a company 87.5 percent owned by Cheung Kong (Holdings), the main investment vehicle of the Hong Kong tycoon Li Ka-shing, and 12.5

percent controlled by CEF Holdings, which is a joint-venture financial concern between Cheung Kong and the Canadian Imperial Bank of Commerce.

Essential will buy 68 percent of the shares and Botany will take 14 percent. The rest will be divided between two other companies owned by Hong Kong businessmen, one by Martin Kook and the other by Leo Lee and his family.

The consortium is also buying 73 percent of Kader Investment's warrants from Kader Holdings and the Ting family at 3.07 dollars for each warrant.

Investor's Asia table with columns for city (Hong Kong, Singapore, Tokyo), index name (Hang Seng, Straits Times, Nikkei 225), and weekly closing/changes.

TVNZ: Small Contender, Big Ambitions

By Kevin Murphy International Herald Tribune

HONG KONG — Despite being a long way from anywhere, Television New Zealand Ltd. executives say they already are where most of the world's media, entertainment and telecommunications groups want to be: profitable, horizontally integrated and ready to break into Asia.

"What we have achieved is what the others are shooting for," said David Nicholson, assistant director for corporate development at TVNZ. "We're operating in a completely unregulated market at home and we can mix ourselves in whatever businesses we like."

The recent decision by Time Warner Inc. to sell 25 percent of its entertainment subsidiary to the telephone concern US West Inc. has capped a string of major mergers in the global broadcasting and telecommunications arena.

Industry speculation now centers on how far the cross-ownership craze can go before reaching regulatory hurdles, and which major groups might net tie the knot.

TVNZ, which is 100 percent government-owned and operates two complementary television channels, has already walked down the aisle with several partners at home. It plans to do the same in the world's fastest-growing broadcasting market through its involvement with Asian Business News, a satellite news service to be based in Singapore, and other spin-off projects.

The commercial broadcaster, which had 83 percent of the New Zealand market last year, now owns stakes in a telephone company, Clear Communications Ltd., a pay-TV group, Sky

Network Television Ltd., a broadcasting operation, a Pacific islands satellite broadcast network and a big production house that is making shows for the Discovery Channel, one of the fastest growing channels in U.S. cable TV.

"For a former public-service type of company, they have proved to be exceptionally competitive in a commercial world," said Peter J. Cox, a media analyst in Sydney. "We've watched their progress with interest and admire their adventurousness. I'm sure our national broadcaster would love to have their attitude." He

is referring to Australian Broadcasting Corp. TVNZ's partners in New Zealand include companies like Time Warner, Bell Canada, MCI Communications Corp. and Tele-Communications Inc., the largest cable TV operator in the United States with whom it equally shares a 72 percent stake in ABN. Most, said TVNZ's group chief executive, Brent Harman, are interested in working together in Asia.

"They are small but ambitious and we like dealing with them," said Adam Singer, vice president of TCI International in Denver.

"Their basic strategy of using every one of their assets to the maximum is a good one. We're already talking about further projects in Asia with them."

"We're trying to leverage up our core competencies into international operations," said Mr. Harman. "Everything we do is aimed at becoming the leading electronic-communications company in the west Pacific or East Asia."

A tall order perhaps, but the company, while small — its 1992 profit was 23 million New Zealand dollars (\$12.3 million) — has experienced some interesting ideas. For example, TVNZ plans to introduce an education channel in Asia by the end of next year. The ability to send files by satellite broadcast now being fine-tuned will aid the teaching process.

"We're getting some attention because we're already doing most of the things being talked about by other big companies," said Mr. Harman, who has been wooed by Hong Kong-based STAR TV, which wants to join forces with TVNZ on regional business coverage.

Mr. Harman's former boss at TVNZ, Julian Mounter, now runs STAR TV, Asia's dominant satellite broadcaster. However, Mr. Harman said ABN was in no hurry to commit to a partnership before its 96 hours of weekly business news from an Asian viewpoint begins broadcasting from Singapore in later this year.

"The same groups, like Pearson, they're talking to about their business channel. And we're talking to other people as well," said Mr. Harman. "It might make sense for us all to work together, but maybe we won't be able to put all these international groups on the same channel."

Woolworths Outlines \$1.7 Billion Offering

Compiled by Our Staff From Dispatches

SYDNEY — Woolworths Ltd. announced terms Wednesday of its public flotation, Australia's largest ever, which values the company at up to 2.45 billion Australian dollars (\$1.7 billion).

The float of the food and discount variety chain, which is unrelated to the U.S. company of the same name, will be Australia's largest ever if Woolworths achieves its target price of 2.15 to 2.45 shares.

Under the issue, foreign and domestic institutions would be entitled to 30 percent, or 200 million, of the shares up for sale. The retailer is expected to be listed on the Aus-

tralian Stock Exchange on July 12. But the Woolworths executive chairman, Paul Simons, warned that if the share offer were under-subscribed by the final close of the offer on July 9, the issue would be withdrawn. "The vendor is reserving the right to not proceed with the issue if it is under-subscribed," he said at a news conference.

Woolworths was to have been floated last year, but the plan was dropped owing to a downturn in the stock market. The company, which is raising funds to help its indebted parent, Adelaide Steamship Co., announced plans to revive the offering last month.

MANAGE: In Hong Kong, Local Executives Are Supplanting Expatriates

(Continued from first finance page)

also in heavy demand, executive-recruitment companies say.

"Understanding the nuances of doing business in China, the ability to communicate, and then coupling that with knowing how to analyze stocks or do a corporate-financial deal are the combination of things needed to be successful," said Scott Hall, managing director of Burns Hall Asia, in a specific reference to the securities industry.

Mr. Marwah of Executive Access said the expatriate managers who

succeeded will have to have more specialized, practical skills than their predecessors. "The ivory tower will become an anachronism," he said.

"People will still have the same number of boats and drink the same number of ginis, but the price on them in terms of qualifications will be higher," Mr. Marwah said.

Faced with two job candidates with similar experience and skills, Mr. Marwah said he would usually offer the client a Chinese executive over a Westerner.

But headhunters agree that expatriates still have a future in Hong Kong, especially those with specialized skills. "If you are looking for a derivatives structured-risk manager you don't care whether he comes from Finland, if you have the best," said Mr. Marwah.

In recognition of the changing business climate, many of the perks reserved in the past for expats, like housing allowances and sports or social club memberships, are now being offered to local executives, headhunters and management consultants said.

"More and more employers are narrowing the gap between expatri-

ate and local remuneration," said Albert Chau, director of the employment consultant Wyatt Co.

Wyatt estimates that the average annual cash package for a chief executive of a securities company in Hong Kong is around 2.75 million Hong Kong dollars (\$352,500), including bonuses but excluding perks.

For the head of a general industrial company, it is far less, at 1.6 million dollars. The figures do not differentiate between expatriates and locals.

NYSE Wednesday's Closing tables with columns for stock symbols, prices, and changes. Includes sections for 12 Month High/Low Stock and 12 Month High/Low Stock.

AUTOMATION advertisement featuring an image of a person at a control panel. Text includes: 'Process management: Taming the complexity.', 'Manufacturing systems must deliver more flexibility and quality. Yet, they must do so at less cost and with an unequalled environmental compatibility.', 'AEG's areas of activity: Automation, Electrotechnical Systems and Components, Rail Systems, Domestic Appliances, Microelectronics.', and 'AEG A member of the Daimler-Benz Group'.



# SPORTS BASEBALL

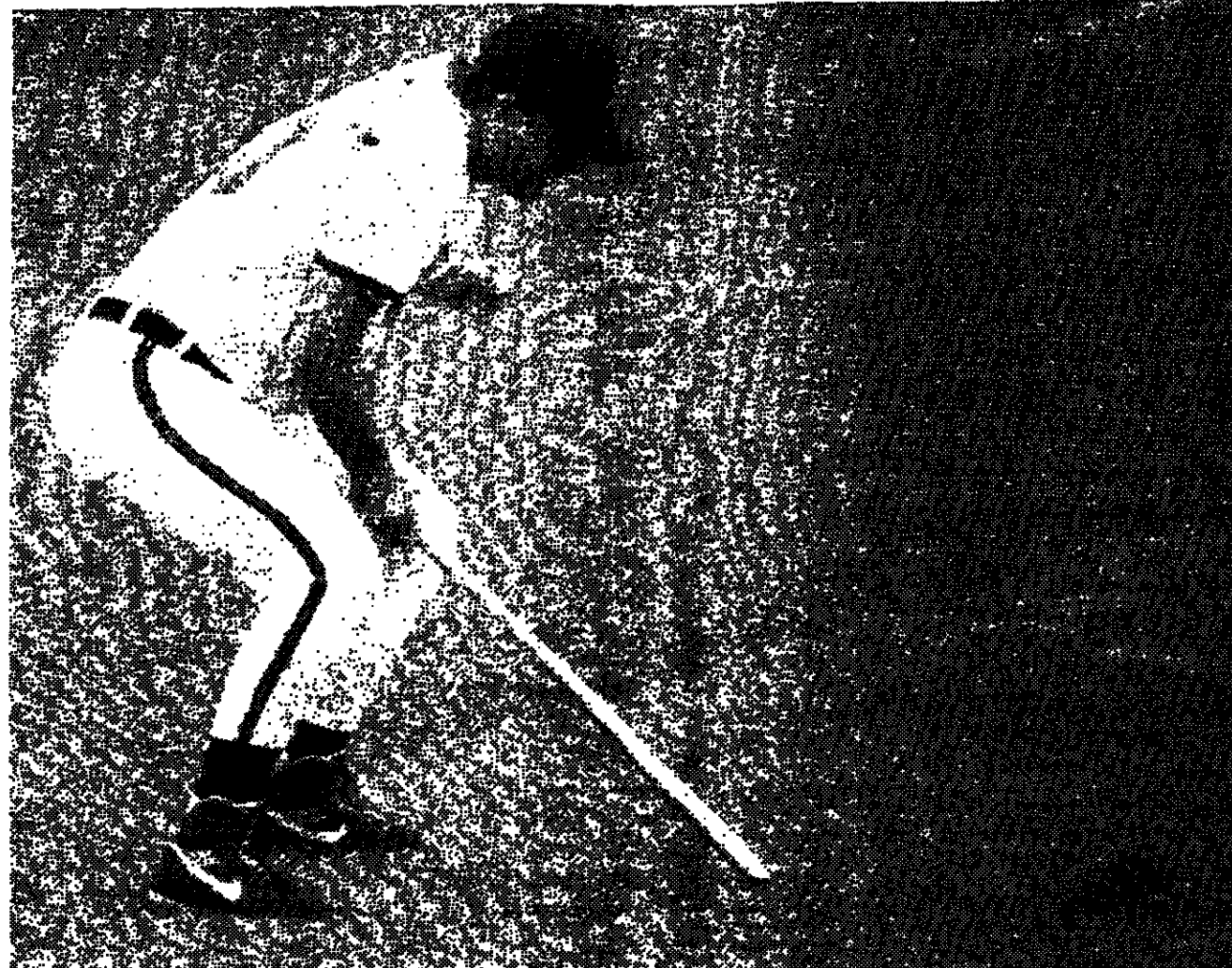
## Valenzuela Wins, 2 1/2 Years After His Last Victory

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### AL ROUNDUP

since 1990 by pitching a two-hitter for the Baltimore Orioles on Tuesday night in a rain-shortened 7-0 victory over the Cleveland Indians. "The win is great, but I'm not that excited," he said. "The game was called off because of rain after the Indians batted in the top of the eighth. "Valenzuela's last shutout came in his most memorable game in the majors, a no-hitter on June 29, 1990, for the Los Angeles Dodgers against the St. Louis Cardinals. He last won on Sept. 14, 1990. "Since then, not much had gone right. He was cut by the Dodgers in spring training in 1991, was hit hard in two starts for California later that season, then spent last year in the Mexican League, hoping for a call that never came. This spring, the Orioles gave the 32-year-old Valenzuela another chance, and he was roughed up in his first two starts. Lately, Valenzuela had pitched well. But even with a 2.70 earned-run average in his last three starts, he had no victories to show for it. Against the Indians, he struck out six and walked three. He has allowed only four runs in his last 30 1/3 innings, lowering his ERA to 3.72. "My arm feels strong and all my stuff was working pretty good — especially my screwball," he said. Valenzuela was so sharp that switch-hitter Carlos Baerga batted from both sides against the left-hander. It didn't help, as Baerga went 0 for 3. "After he struck me out with the screwie, I said to myself, 'Let me hit right to see if I can see the ball better,' Baerga said. "I saw the ball

better, but he just pitched too good a game." Sherman Olando went 3 for 3 and drove in two runs for the Orioles, who had lost five of six. They got three runs in the third inning off Matt Young and scored four more in the seventh. White Sox 7, Angels 4: Wilson Alvarez won his fifth straight start and Chicago took advantage of four errors to beat visiting California. George Bell homered for the second straight game and drove in three runs. His sacrifice fly in the sixth put the White Sox ahead for good. Alvarez, who has already matched his victory total of last season, when he was 5-3, won despite allowing four runs on five hits and six walks in seven innings. Yankees 5, Twins 3: Steve Farr struck out Dave Winfield with the bases loaded to end the game as New York won in Minnesota. Danny Tartabull, batting only 145 in May, doubled and scored the tie-breaking run in the sixth, while Paul O'Neill homered and drove in two runs for the Yankees, who handed the Twins their third straight loss. Tigers 5, Brewers 1: Mickey Tetleton hit a bases-loaded triple in the first as Detroit won in Milwaukee. Tetleton had three hits, as did teammate Lou Whitaker. Rangers 3, Mariners 2: Doug Strange's two-run homer in the seventh rallied Texas past visiting Seattle. Strange had driven in the first run with a single. Mike Blowers, who tied a major league record with grand slams in his previous two games, got an RBI single for the Mariners, for his 10th RBI in three days. Royals 6, Athletics 1: Mark Gardner and Bill Sampen held visiting Oakland to four hits as Kansas City won for the fifth time in seven games. The Royals, leading by 2-0 scored four times in the sixth against Bob Welch as Wally Joyner, Greg Gagne, Choo Linc and Felix Jose hit RBIs singles.



**OUT, OUT, DAMNED RAT!**—Eric Schallstrom, a pitcher for the Bowie Bays, fended off an angry rat with a broken bat in Memorial Stadium in Baltimore during a rain delay in a Class AA minor league game with the New Britain Red Sox that was played at the Orioles' old field. After Schallstrom first tried to toss the rat off the field with the bat, it turned on him, but neither man nor rodent were injured.

## Sanders Returning to Braves

*The Associated Press*  
**ATLANTA** — Deion Sanders, who left the Atlanta Falcons, for whom he is a Pro Bowl cornerback and return man. The Braves had offered him a three-year contract for \$11 million with a club option for a fourth year. Sanders was seeking a three-year deal for \$12 million without a club option for a fourth year. "It's the same contract that's been on the table all the time," said the Braves' general manager, John Schuerholz. "Deion has passed his time of personal turmoil, and we said all along the door was open for his return, and he decided to do that," Schuerholz said. "We've discussed a variety of details, and we don't expect that something like this will happen again," he said, adding that Sanders could rejoin the Braves this week. Sanders came by the clubhouse during the Montreal game and picked up some of his equipment, but was not available for comment. Neither was his agent, Eugene Parker, who was in Atlanta the last few days. In 13 games this season, Sanders was hitting .281 with one home run and five RBIs.

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## For Davis, Flash of Old Brilliance Beats Old Team

*The Associated Press*  
For one game, at least, it looked like the old Eric Davis. He hit a grand slam home run against his former team, the Cincinnati Reds, as Los Angeles won, 9-1, at Dodger Stadium on Tuesday night. "I got the big hit to help win the ball game, but I've still got a long way to go," Davis said. Kevin Gross pitched a six-hitter with two walks and seven strikeouts as the Reds lost their second straight after winning seven in a row. Davis, who had just one homer in 116 at-bats this year and only two hits in his previous 29 at-bats, drove a 1-2 pitch from John Smiley over the left-field wall in the fifth inning. The RBIs were the first for Davis

since April 30, and the homer only his fourth extra-base hit of the season. The Dodgers acquired Davis, 30, from the Reds on Nov. 27, 1991, but he's been hampered by injuries since being reunited with his Los Angeles.

**NL ROUNDUP**  
Angels' boyhood friend, Darryl Strawberry, last season. Davis hit only five homers with 32 RBIs. Smiley walked two batters to start the Dodgers sixth. Eric Kames and Jody Reed singled, and Smiley walked Gross on a 3-1 pitch to load the bases. The left-hander then walked Jose Offerman on four straight pitches to force in a run. Davis followed with his sixth career grand slam, his first since July 16, 1990, with the Reds.

Phillies 6, Marlins 0: Tommy Greene pitched a six-hitter for his second straight complete game, and Darren Daulton hit a two-run homer to help Philadelphia win in Florida. Greene struck out 10 and lowered his league-leading ERA to 1.98. Giants 7, Astros 2: John Burkett scattered seven hits to become the National League's first seven-game winner as San Francisco beat visiting Houston to take a three-game lead over the second-place Astros in the West. The Giants have won seven of their last eight games. Burkett struck out six en route to the Giants' first complete game of the season. The Giants broke a 1-1 tie in the fifth, scoring five runs with two outs after starter Darryl Kile hit two batters.

Expos 1, Braves 0: Gil Heredia, called up from the minors before the game, pitched six strong innings and John Vander Wal drove in the game's only run with a single off Pete Smith as Montreal won in Atlanta. The win was the Expos' fifth in six games, while the Braves lost for only the fourth time in 15 games. Heredia, who has made brief stops in the majors before with San Francisco and the Expos, gave up four hits, struck out seven and walked one in 6 1/3 innings. Cubs 4, Cardinals 1: Derrick May and Ryne Sandberg got four hits and drove in three runs as Chicago won in St. Louis. May singled in two runs in the first and doubled and scored on Steve Buechele's sacrifice fly in the fifth. He is 7 for 13 in the last three

games with three doubles, a homer and nine RBIs. Rockies 2, Padres 1: Charlie Hayes' sacrifice fly in the 11th ended visiting Colorado's seven-game losing streak. The Rockies had also lost 12 of their previous 13 games. Darren Holmes, recalled by the Rockies on Monday, pitched the 11th for his third save — the only save Colorado has this season. Pirates 10, Mets 8: Pittsburgh got to Pete Schourek for six runs in a 16-pitch span of the fourth inning, then held on in New York. For the Mets it was their fifth straight loss, eighth of nine and 18th of 22. At 12-25, the Mets have the same record the original 1962 Mets had after 37 games, when it finished 40-120.

## 2 Overtimes Later, Canadiens Are 2-0

*Compiled by Our Staff From Dispatches*  
**MONTREAL** — The New York Islanders ran out of overtime magic. This time, it was the Montreal Canadiens' chance to turn the trick. Taking a page from the Islanders' book, the Canadiens squeezed out a 4-3 double-overtime victory Tuesday night for a 2-0 lead in their Wales Conference series of the National Hockey League's playoffs.

The victory was the Canadiens' 10th straight in the playoffs, a club record and one shy of the league mark of 11 straight in one playoff year, set last spring by Chicago and Pittsburgh. Seven of Montreal's 12 playoff games have gone to overtime, with the Canadiens winning the last six, while the Islanders lost for the first time in five overtime games this year. And, it was only their eighth loss in 37 overtime playoff games in franchise history. Stephan Lebeau scored his second goal of the game at 6:21 of the second extra period after Vincent Damphouse carried the puck into the Islanders' zone from center ice and passed to Lebeau. He beat Glenn Healy with a slapshot from the top of the right circle. "It was a great shot," Healy said, "but you have to find ways to stop that." The Canadiens had tied the score on a goal by Paul DiPietro at 14:50 of the third period, when his shot from the slot got through a tangle of players.

The good news for New York was that star center Pierre Turgeon returned to action and appeared to be recovered from the separated shoulder suffered in the first round against Washington. Turgeon had a goal and an assist and was the Islanders' most dangerous forward. "I felt fine," he said. "It's maddening to lose, but you've got to keep a positive attitude. We all know we played well enough to win." Turgeon scored the game's first goal, at 13:41 of the opening period, off a pass from Vladimir Malakhov. But the Canadiens rallied with goals from Brian Bellows and Lebeau in the second period. Montreal goaltender Patrick Roy let in a weak one — a long shot from Steve Thomas that got through his pads — at 10:31 of the third period, and David Volek put the Islanders in front at 12:41. Then the Canadiens pressed and DiPietro forced the overtime.

In the first extra period, both teams came close on several scoring chances and each had a power play. The fans, nearly 18,000 of them, filled the old building with gasps and groans, depending on which side threatened, and the pace of play was brisk, despite weariness on both sides. (AP, N77)



Pierre Turgeon, in the grasp of the Canadiens' Patrice Brierebols, returned for the Islanders and scored the first goal of the game.

## Eldberg Falls But Swedes Beat Czechs

*The Associated Press*  
**DUSSELDORF** — Petr Korda's 6-1, 6-1 rout of Stefan Edberg wasn't enough Wednesday to stop Sweden from beating the Czech Republic at the World Team Cup. Sweden won, 2-1, and Germany slipped past France, 2-1, to set up a clash Friday between the two undefeated leaders of the Red Group. Korda used his accurate forehand to breeze to victory in just 55 minutes on the clay courts as Edberg double-faulted on many points. In the second singles, Magnus Larsson beat Dieter Wedder, 3-2, 6-1. Edberg's second handicap in deciding doubles match, as he and Anders Jarryd ousted Korda and Cyril Suk, 6-7 (7-4), 7-6 (9-7), 7-6 (7-3), in a match interrupted several times by rain. The Czechs, top-seeded in the group, have fallen into third place after Karel Novacek fell ill during Monday's loss to Germany. Germany's victory Wednesday was also decided in doubles, with Michael Stich and Patrick Knudsen defeating Arnaud Boetsch and Henri Leconte, 6-3, 6-4. Stich had beaten Fabrice Santoro, 1-6, 6-3, 6-3, after falling behind by 3-1 in the third set. In the other singles, Germany's Carl-Uwe Steeb wasn't able to regain his early form after a rain delay and fell to Boetsch, 4-6, 6-4, 6-4.

### DENNIS THE MENACE

### PEANUTS

### CALVIN AND HOBBES

### JUMBLE

THAT SCRAMBLED WORD GAME

Unscramble these four jumbles. The letters are listed below. Write the words in the boxes.

MAVPS  
MEPOT  
LETHAH  
FERPER

Answer here: \_\_\_\_\_

### BLONDIE

### WIZARD of ID

### TO OUR READERS IN BERLIN

You can now receive the IHT hand delivered to your home or office every morning on the day of publication. Just call us toll free at 0130 84 85 85

### BEETLE BAILEY

### REX MORGAN

### DOONESBURY

### GARFIELD



NYSE

Wednesday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect the trade elsewhere. Via The Associated Press

(Continued)

Table with columns: 12 Month High/Low, Div, Yld, PE, High, Low, Last, Change. Lists various stocks and their prices.

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NYSE High-Lows

NEW HIGHS 72

Table listing new high stocks with columns: Stock Name, Price, Change.

NEW HIGHS 34

Table listing new high stocks with columns: Stock Name, Price, Change.

NEW HIGHS 4

Table listing new high stocks with columns: Stock Name, Price, Change.

INTERNATIONAL FUNDS

May 19, 1993

Qualifications supplied by fund's prospectus. Not stated when quotations are supplied by the Funds listed with the exception of some quotes based on issue prices.

The magnitude symbols indicate frequency of quotations supplied: (r) - daily; (w) - weekly; (m) - monthly; (q) - quarterly; (a) - twice weekly; (n) - monthly.

Large table listing various international funds with columns: Fund Name, Price, Change, and other details.

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# SPORTS BASEBALL

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The Royals, leading by 2-0, scored four times in the sixth against Bob Welch as Billy Joyner, Greg Gagne, Chico Linc and Felix Jose hit RBI singles.



**OUT, OUT, DAMNED RAT!** — Eric Schuilstrom, a pitcher for the Bowie Bays, fended off an angry rat with a broken bat in Memorial Stadium in Baltimore during a rain delay in a Class AA minor league game with the New Britain Red Sox that was played at the Orioles' old field. After Schuilstrom first tried to toss the rat off the field with the bat, it turned on him, but neither man nor rodent were injured.

## Sanders Returning to Braves

*The Associated Press*  
 ATLANTA — Deion Sanders, who left the Atlanta Braves in a contract dispute and unhappy with his lack of playing time, is to return to the team after a few days working out at extended spring training camp in West Palm Beach, Florida.

The Braves put Sanders on the disqualified list April 29, when he did not return after attending his father's funeral in Fort Meyers, Florida. He has missed 19 days and, at \$11,000 per day, lost a total of \$209,000 from his \$1 million salary.

His contract with the Braves runs through July 31, when he is to

return, and he decided to do that," Schuerholz said.

"We've discussed a variety of details, and we don't expect that something like this will happen again," he said, adding that Sanders could rejoin the Braves this week.

Sanders came by the clubhouse during the Montreal game and picked up some of his equipment, but was not available for comment. Neither was his agent, Eugene Parker, who was in Atlanta the last few days.

In 13 games this season, Sanders was hitting .281 with one home run and five RBIs.

report to the National Football League's Atlanta Falcons, for whom he is a Pro Bowl cornerback and return man.

The Braves had offered him a three-year contract for \$11 million with a club option for a fourth year. Sanders was seeking a three-year deal for \$12 million without a club option for a fourth year.

"It's the same contract that's been on the table all the time," said the Braves' general manager, John Schuerholz.

"Deion has passed his time of personal turmoil, and we said all along the door was open for his



Pierre Turgeon, in the grasp of the Canadiens' Patrice Brisebois, returned for the Islanders and scored the first goal of the game.

## For Davis, Flash of Old Brilliance Beats Old Team

*The Associated Press*  
 For one game, at least, it looked like the old Eric Davis.

He hit a grand slam home run against his former team, the Cincinnati Reds, as Los Angeles won, 9-1, at Dodger Stadium on Tuesday night.

"I got the big hit to help win the ball game, but I've still got a long way to go," Davis said.

Kevin Gross pitched a six-hitter with two walks and seven strikeouts as the Reds lost their second straight after winning seven in a row.

Davis, who had just one homer in 116 at-bats this year and only two hits in his previous 29 at-bats, drove a 1-3 pitch from John Smiley over the left-field wall in the fifth inning.

The RBIs were the first for Davis

since April 30, and the homer only his fourth extra-base hit of the season.

The Dodgers acquired Davis, 30, from the Reds on Nov. 27, 1991, but he's been hampered by injuries since being reunited with his Los Angeles.

**NL ROUNDUP**

Angelo boyhood friend, Darryl Strawberry. Last season, Davis hit only five homers with 32 RBIs.

Smiley walked two batters to start the Dodgers sixth. Eric Karros and Jody Reed singled, and Smiley walked Gross on a 3-1 pitch to load the bases. The left-hander then walked Jose Offerman on four straight pitches to force in a run. Davis followed with his sixth career grand slam, his first since July 16, 1990, with the Reds.

Phillies 6, Marlins 0: Tommy Greene pitched a six-hitter for his second straight complete game, and Darren Daulton hit a two-run homer to help Philadelphia win in Florida. Greene struck out 10 and lowered his league-leading ERA to 1.98.

Giants 7, Astros 2: John Burkett scattered seven hits to become the National League's first seven-game winner as San Francisco beat visiting Houston to take a three-game lead over the second-place Astros in the West. The Giants have won seven of their last eight games.

Burkett struck out six en route to the Giants' first complete game of the season.

The Giants broke a 1-1 tie in the fifth, scoring five runs with two outs after starter Darryl Kile hit two batters.

Expos 1, Braves 0: Gil Heredia, called up from the minors before the game, pitched six strong innings and John Vander Wal drove in the game's only run with a single off Pete Smith as Montreal won in Atlanta. The win was the Expos' fifth in six games, while the Braves lost for only the fourth time in 15 games.

Heredia, who has made brief stops in the majors before with San Francisco and the Expos, gave up four hits, struck out seven and walked one in 6 1/3 innings.

Cubs 4, Cardinals 1: Derrick May and Ryne Sandberg got four hits and drove in three runs as Chicago won in St. Louis. May singled in two runs in the first and doubled and scored on Steve Buechele's sacrifice fly in the fifth. He is 7 for 13 in the last three

games with three doubles, a homer, and nine RBIs.

Rockies 2, Padres 1: Charlie Hayes' sacrifice fly in the 11th ended visiting Colorado's seven-game losing streak. The Rockies had also lost 12 of their previous 13 games.

Darren Holmes, recalled by the Rockies on Monday, pitched the 11th for his third save — the only save Colorado has this season.

Pirates 10, Mets 8: Pittsburgh got to Pete Schourek for six runs in a 16-pitch span of the fourth inning, then held on in New York.

For the Mets it was their fifth straight loss, eighth of nine and 18th of 22.

At 12-25, the Mets have the same record the original 1962 Mets had after 37 games, when it finished 40-120.

## 2 Overtimes Later, Canadiens Are 2-0

*Compiled by Our Staff From Dispatches*  
 MONTREAL — The New York Islanders ran out of overtime magic this time. It was the Montreal Canadiens' chance to turn the trick.

Taking a page from the Islanders' book, the Canadiens squeezed out a 4-3 double-overtime victory Tuesday night for a 2-0 lead in their Wales Conference series of the National Hockey League's playoffs.

The victory was the Canadiens' 10th straight in the playoffs, a club record and one shy of the league mark of 11 straight in one playoff year, set last spring by Chicago and Pittsburgh. Seven of Montreal's 12 playoff games have gone to overtime, with the Canadiens winning the last six, while the Islanders lost for the first time in five overtime games this year. And, it was only their eighth loss in 37 overtime playoff games in franchise history.

Stephan Lebeau scored his second goal of the game at 6:21 of the second extra period after Vincent Damphousse carried the puck into the Islanders' zone from center ice and passed to Lebeau. He beat Glenn Healy with a slapshot from the top of the right circle.

"It was a great shot," Healy said, "but you have to find ways to stop that."

The Canadiens had tied the score on a goal by Paul DiPietro at 14:50 of the third period, when his shot from the slot got through a tangle of players.

The good news for New York was that star center Pierre Turgeon returned to action and appeared to be recovered from the separated shoulder suffered in the first round against Washington.

Turgeon had a goal and an assist and was the Islanders' most dangerous forward.

"I felt fine," he said. "It's maddening to lose, but you've got to

### STANLEY CUP

keep a positive attitude. We all know we played well enough to win."

Turgeon scored the game's first goal, at 13:41 of the opening period, off a pass from Vladimir Malakhov. But the Canadiens rallied with goals from Brian Bellows and Lebeau in the second period.

Montreal goaltender Patrick Roy let in a weak one — a long shot from Steve Thomas that got through his pads — at 10:31 of the third period and David Volek put the Islanders in front at 12:41.

Then the Canadiens pressed and DiPietro forced the overtime.

In the first extra period, both teams came close on several scoring chances and each had a power play. The fans, nearly 18,000 of them, filled the old building with gasps and groans, depending on which side threatened, and the pace of play was brisk, despite weariness on both sides.

(AP, NHT)

## Edberg Falls But Swedes Beat Czechs

*The Associated Press*  
 DUSSELDORF — Petr Korda's 6-1, 6-1 rout of Stefan Edberg wasn't enough Wednesday to stop Sweden from beating the Czech Republic at the World Team Cup.

Sweden won, 2-1, and Germany slipped past France, 2-1, to set up a clash Friday between the two undefeated leaders of the Red Group.

Korda used his accurate forehand to breeze to victory in just 55 minutes on the clay courts as Edberg double-faulted on match point.

In the second singles, Magnus Larsson beat Daniel Vacek, 6-3, 6-1.

Edberg redeemed himself in the deciding doubles match, as he and Anders Jarryd outlasted Korda and Cyril Suk, 6-7 (7-4), 7-6 (9-7), 7-6 (7-3), in a match interrupted several times by rain.

The Czechs, top-seeded in the group, have fallen into third place after Karel Novacek fell ill during Monday's loss to Germany.

Germany's victory Wednesday was also decided in doubles, with Michael Stich and Patrick Kneubel defeating Arnaud Boetsch and Henri Leconte, 6-3, 6-4.

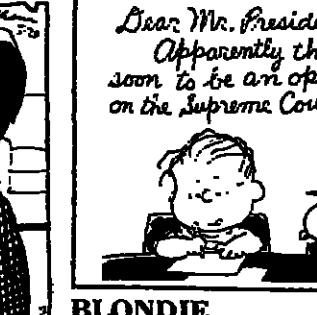
Stich had beaten Fabrice Santoro, 1-6, 6-3, 6-3, after falling behind by 3-1 in the third set.

In the other singles, Germany's Carl-Uwe Steeb wasn't able to regain his early form after a rain delay and fell to Boetsch, 4-6, 6-4, 6-4.

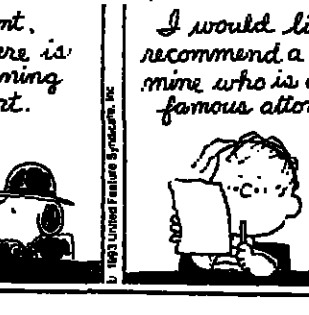
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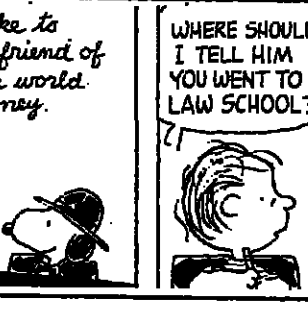
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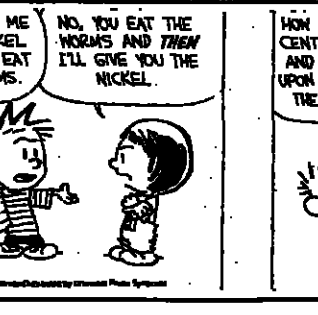
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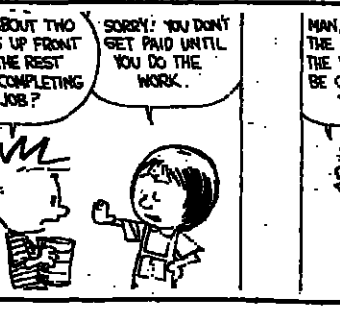
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### CALVIN AND HOBBES



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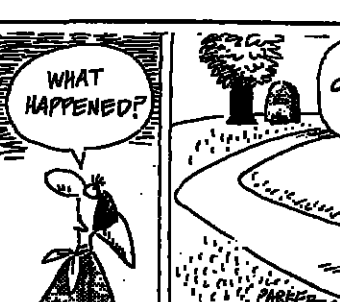
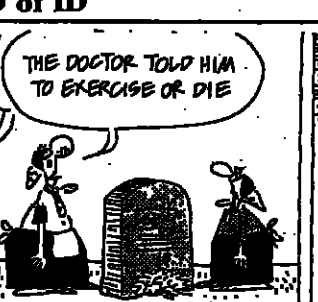
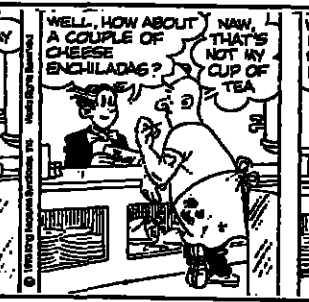


**JUMBLE** — THE SCRABBLE WORD GAME

Unscramble these four jumbles, and you'll have a word that fits in each square. Use the letters in the squares to form the words.

MAWPS  
 MEPOT  
 LETHAH  
 FERPER

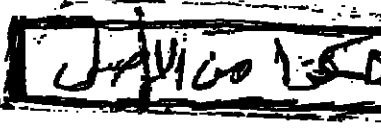
Answer here: \_\_\_\_\_



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SPORTS SOCCER

Knicks Thwart Hornets - Now Come the Bulls

By Clifton Brown
NEW YORK — The New York Knicks will not play the Charlotte Hornets again until next season, plenty soon enough as far as the New Yorkers are concerned.

NBA PLAYOFFS

set up the series everyone in the National Basketball Association has been awaiting: The Knicks versus the Chicago Bulls in a best-of-seven-game series beginning Sunday afternoon in Madison Square Garden.

And Then, It's All Barkley

PHOENIX — To a coach who stuck by his star player through a baffling playoff slump, Charles Barkley's comeback was a masterpiece.

being fouled by Charles Smith. Curry added the free throw, making the score 99-96 with 1:04 left.

Then New York got another big play. Dribbling at midcourt, Rivers spotted Oakley alone under the basket. A bullet pass led to a lay-up as Oakley was being fouled by Larry Johnson. Oakley did a war dance, pumped his arms, then screamed with joy in Johnson's face.

But Oakley missed the free throw, and the score was 101-96 with 55.1 seconds to go. Johnson answered with a reverse lay-up, cutting New York's lead to 101-98 with 40 seconds left.

Then, after a timeout, Smith missed a 12-footer, but as Smith and Johnson chased the long rebound, the ball went out of bounds off Johnson. Starks was fouled by Gill on the inbound pass with 20 seconds to play, and made both free throws for a five-point lead.

Now the Hornets were dead? Not yet. After Curry missed a 3-pointer, Bogues chased down the rebound, then passed to Gill, whose 3-point bomb from the top of the key gave him 26 points and made it 103-101 with 11.6 seconds left. Starks was fouled immediately, and he made both free throws to give New York a four-point lead with 10 seconds to play.

Alonzo Mourning missed a desperation 3-pointer from the key, then Gill had a 3-pointer blocked by Anthony Mason, who then knocked the ball out of bounds off Gill with .09 seconds to play. The Knicks inbounded, and then the Hornets were finally done.



RED TIDE EBBING — The Urawa Reds' Yukioi Marumatsu played heads up against Gary Lineker, but the Nagoya Grampus Eight, for whom the English striker plays, got its first victory, 3-0, in Japan's new J-League.

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Barkley, breaking out of a slump that has lasted most of the playoffs, scored 19 of his 36 points in the final period after the Spurs took an 85-78 lead on Sean Elliott's dunk with 11:04 remaining.

Juventus Beats Dortmund 3-0 For UEFA Cup

TURIN — Juventus lifted the UEFA Cup for the third time Wednesday night when it beat Borussia Dortmund 3-0 on Wednesday to complete a crushing 6-1 aggregate victory.

The Juventus player was credited with his fifth goal in the Cup this season when he and Viali jumped together for a free kick in the 40th minute.

'New' Scots Beat Estonia, Play Like Old

TALLINN, Estonia — Scotland defeated Estonia, 3-0, in a European Group 4 match Wednesday but did not play well against a team that has yet to score a goal in a World Cup qualifying match.

Tables Turned on 2 Swedish Stars

GOTHENBURG (Combined Dispatches) — Patrick Chila, 23, of France, who had to qualify to get into the tournament, pulled off one of the greatest upsets of the World Table Tennis Championships by beating defending champion Jorgen Persson of Sweden, 21-14, 21-4, 21-17, in Wednesday's first round of the men's singles.

SCOREBOARD

BASEBALL

Table with columns for Major League Standings, American League East Division, and National League East Division. Lists teams like Detroit, New York, Boston, Toronto, and their respective records.

Japanese Leagues

Table showing Japanese League standings with columns for team name, wins, losses, and percentage.

Tuesday's Line Scores

Table listing Tuesday's line scores for various baseball games, including matchups like New York vs Philadelphia and Boston vs Toronto.

BASEBALL

NBA Playoffs

Table for NBA Playoffs Conference Semifinals, listing teams like Charlotte, New York, Houston, and their records.

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BRIDGE

By Alan Truscott
CIRCUMSTANCES alter cases, in bridge as in other activities. The normal way to play a suit combination may be wrong in the light of the bidding.

BRIDGE

South won the spade lead with the ace and cashed the heart ace with a fatal result: down one.

BRIDGE

This was the normal play to guard against any singleton in the East hand, but South should have considered that the bidding made it unlikely that West held heart length as well as spade length.

BRIDGE

Right was to lead to the heart king, allowing declarer to lead next to the eight and hold his trump losers to one.

BRIDGE

This succeeds not only when the hearts are 3-2 but also whenever West holds a singleton queen, jack or nine.

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Then, after a timeout, Smith missed a 12-footer, but as Smith and Johnson chased the long rebound, the ball went out of bounds off Johnson...

"It's great to finally get through these first two rounds," said the Knicks' coach, Pat Riley.

Now the Hornets were dead? Not yet. After Curry missed a 3-pointer, Bogues chased down the rebound, then passed to Gill...

Mourning and Ewing, good friends, embraced at halfcourt when it was over.

Patrick Ewing could stand tall after being rescued by teammates.

As for the Hornets, they made every Knicks victory difficult in this series. And they might have forced a Game 6 if not for Ewing...

Phoenix — To a coach who stuck by his star player through a baffling playoff slump, Charles Barkley's comeback was a masterpiece.

Ewing departed with 3 minutes, 14 seconds to play, and the Knicks leading 94-87.

There have been very few guys who have risen to the occasion like that, Westphal added.

But Ewing's absence helped set up a hair-raising finish. A 12-foot jumper by Muggsy Bogues pulled Charlotte to 96-93...

There have been very few guys who have risen to the occasion like that, Westphal added.

But the Hornets weren't finished yet. Dell Curry drove past Starks, then made an off-balance left-handed lay-up while



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"They should take the first of the second half, save it, and then show it to people whenever they want to see how a man plays basketball," said Paul Westphal...

SuperSonics 128, Rockets 95: Ricky Pierce scored 24 points and Gary Payton added a playoff career-high 23 in Seattle as their team took a 3-2 lead in the other Western Conference semifinal.

There have been very few guys who have risen to the occasion like that, Westphal added.

Beaten at Houston by 18 and 11 points during the weekend, the Sonics had the best shooting night of the series — 55 percent, making 48 for 88.

"It was a weird first half," said Barkley, who made 10 of 14 shots in the final two periods and scored 28 points.

Their starting backcourt, Pierce and Payton, outscored the Rockets' starting backcourt of Maxwell and Kenny Smith by 47-18.

SCOREBOARD

BASEBALL

Table with Major League Standings, American League East Division, and National League East Division.

SOCCER

Table with Japanese Leagues, Central League, and Pacific League.

NBA PLAYOFFS

Table with Conference Semifinals, Eastern Conference, and Western Conference.

HOCKEY

Table with Stanley Cup Playoffs, Conference Finals, and French Cup.

CRICKET

Table with First One-Day International, England vs. Australia.

BASEBALL

Table with American League, National League, and Pacific League.

SOCCER

Table with Dutch First Division, French Cup, and Soccer.

HOCKEY

Table with National Hockey League, French Cup, and Soccer.

TRANSACTIONS

Table with American League, National League, and Soccer.

BASEBALL

Table with American League, National League, and Soccer.

SOCCER

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HOCKEY

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TURIN — Juventus lifted the UEFA Cup for the third time Wednesday night when it beat Borussia Dortmund 3-0 on Wednesday to complete a crushing 6-1 aggregate victory.

The only sour note came when fireworks thrown by Juventus fans landed among the carabinieri band that provided halftime entertainment, forcing it to beat a hasty retreat.

Midfielder Dino Baggio struck twice in the first half, his first in only the fifth minute, effectively ending the hopes of the Germans, already 3-1 down from the home leg of the final.

Claudio Caniggia's 13-month suspension for cocaine use was upheld Wednesday by the Italian Federation's appeals commission.

Baggio headed a second goal five minutes before the break to set off joyous celebrations among the Juventus fans.

The ban, through May 8, 1994, is expected to be enforced worldwide by FIFA.

Moller saw an attempted clearance from Dortmund substitute Thomas Franck cannon off his shin and into the net. It was lucky break for Juventus but a cruel blow for a German side missing several first-choice players.

Caniggia, the flashy forward of AS Roma and the Argentine national team, will miss the Italian Cup final between Roma and Torino in June and the next Italian first-division campaign, which begins in August and ends May 1, 1994.

The result is a fitting end to a season in which Juventus, Italian champions a record 22 times, had come under heavy criticism recently for their failure to sustain a title challenge.

He could be back in action with Argentina in the 1994 World Cup final round in the United States.

Dino Baggio stepped out of the shadow of his illustrious club and country teammate, Roberto Baggio, with two fine finishes.

Caniggia, who transferred to Roma from Atalanta of Bergamo this season, failed a drug test following the Roma-Napoli match on March 21.

He thumped a rising drive into the roof of the net in the opening minutes after striker Gianluca Vialli had set him up with a classy back-heel.

The federation also rejected Roma's appeal of its 100 million lire (\$68,000) for indirect responsibility in the case.

The Juventus player was credited with his fifth goal in the Cup this season when he and Vialli jumped together for a free kick in the 40th minute.

Kevin Gallacher scored two minutes before halftime, then John Collins and Scott Booth added goals in the 59th and 73rd minutes.

Captain Roberto Baggio, widely promoted as European footballer of the year after stellar display Dortmund, thrilled the crowd with some superb second half runs behind the Juventus club through its past.

The Turin club is the only team to have won the UEFA Cup three times since it replaced the Fairs Cup in 1972.

In 1990, Juventus won both the UEFA Cup and the Italian Cup. Their other UEFA Cup triumph came in 1977, during coach Giovanni Trapattoni's first spell at the club.

Seven minutes before halftime, Toomas Kalaste's shot evaded goalkeeper Bryan Gunn but bounced off the bar. The Scots controlled the match after that.

Dortmund, decimated by a combination of injuries, suspensions and ineffectual play, had but were always second best.

Andy Roxburgh, Scotland's manager, had promised to rebuild the team following a 5-0 humiliation by Portugal last month. But Wednesday's match proved to be a slow and often uninspiring affair.

Their 5,000 young-clad fans did them proud, cheering their team to the rafters throughout a soggy night, and also chanted their admiration of Juventus.

Roxburgh called it "a step in the right direction, although not necessarily a great leap forward."

The Italian crowd warmly applauded the visiting players and their fans in return.

Scotland is now tied with Portugal for fourth place in the group, each having six points but Portugal having played one match less.

The only sour note came when fireworks thrown by Juventus fans landed among the carabinieri band that provided halftime entertainment, forcing it to beat a hasty retreat.

Sweden 1, Austria 1: In Stockholm, Jan Eriksson's goal in the 50th minute won the Group 6 qualifier.

That put Sweden one point behind Bulgaria and two behind France, while having played five matches to Bulgaria's seven and France's six. Austria is fourth, with four points.

Diego Maradona appeared in court Wednesday in Sevilla charged with reckless driving, but denied he had sped through four red lights and claimed he was being victimized. Reuters reported.

The Argentine soccer star was stopped Thursday on his way to training with his Spanish club, Sevilla. Police alleged he was driving as fast as 120 kilometers an hour (75 miles an hour).

Maradona said he had not stopped when police began chasing his Porsche because he had misty on too loud to hear their sirens.

"I'm not the first person to commit a traffic offense in Sevilla but it would seem that I've been the only one this year," he told the judge.

The court must now decide whether to continue with the case. If found guilty, Maradona, who also faces a court hearing in Roudie in October for alleged involvement in drug trafficking, could be fined and have his license suspended.

For the Record

The 1994 Winter Olympics organizers in Lillehammer, Norway, said Wednesday they were likely to bow to demands from top skiers and move the women's downhill race to the much tougher men's course.

For the Record

Sherry Davis, the NBA Dallas Mavericks' forward whose left elbow was shattered in an automobile accident, underwent reconstructive surgery but doctors said it was too soon to tell if he can play basketball again.